



Date : 26th August, 2020

The Secretary
The National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G. Block
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051
Scrip Code: EMAMILTD

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code : 531162

The Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata - 700 001
Scrip Code: 018136

Sub : Integrated Annual Report of the Company for the Financial Year 2019-20

Dear Sirs,

We are hereby submitting the copy of Integrated Annual Report of the company for the Financial Year 2019-20 along with the Notice of the Thirty Seventh Annual General Meeting of the company to be held on Friday, 18th September, 2020. The same is also available on the website of the company www.emamilttd.in

This is for your information and records.

Thanking you,

Yours faithfully,

For Emami Limited

A. K. Joshi
Company Secretary & VP- Legal

✓ Encl. As above.

emami*

EMAMI LIMITED | INTEGRATED ANNUAL REPORT

2019-20

COVER STORY

CHALLENGING TIMES. INSPIRING RESPONSES.

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FOUNDERS' STATEMENT

**The disruption is
temporary; the resilience
is enduring.**



www.emamiltd.in

For a digital copy of the
Annual Report and other
related information, scan this
QR Code on your smartphone.



Corporate Information

Chairman

R.S. Agarwal

Managing Director

Sushil K. Goenka

CEO- Finance, Strategy & Business Development and CFO

N.H. Bhansali

Company Secretary & VP-Legal

A.K. Joshi

Auditors

S.R. Batliboi & Co. LLP

Chartered Accountants

Directors

R.S. Goenka

K.N. Memani

Y.P. Trivedi

Rama Bijapurkar

P.K. Khaitan

C.K. Dhanuka

S.B. Ganguly

Amit Kiran Deb

Debabrata Sarkar

Mohan Goenka

Aditya V. Agarwal

Harsha V. Agarwal

Priti A Sureka

Prashant Goenka

Audit Committee

S.B. Ganguly, Chairman

R.S. Goenka

C.K. Dhanuka

Amit Kiran Deb

Nomination and Remuneration Committee

Amit Kiran Deb, Chairman

C.K. Dhanuka

S.B. Ganguly

Risk Management Committee

R.S. Goenka, Chairman

S.B. Ganguly

Sushil K. Goenka

Mohan Goenka

Harsha V. Agarwal

Priti A Sureka

Stakeholders' Relationship Committee

C.K. Dhanuka, Chairman

S.B. Ganguly

Mohan Goenka

Harsha V. Agarwal

Prashant Goenka

Corporate Social Responsibility Committee

Sushil K. Goenka, Chairman

Amit Kiran Deb

Mohan Goenka

Harsha V. Agarwal

Priti A Sureka

Prashant Goenka

Finance Committee

R.S. Goenka, Chairman

Sushil K. Goenka

Mohan Goenka

Aditya V. Agarwal

Harsha V. Agarwal

Priti A Sureka

Corporate Governance Committee

S.B. Ganguly, Chairman

R.S. Goenka

Y.P. Trivedi

Amit Kiran Deb

Share Transfer Committee

Mohan Goenka, Chairman

Aditya V. Agarwal

Harsha V. Agarwal

Priti A Sureka

Buyback Committee

R.S. Goenka, Chairman

Sushil K. Goenka

Mohan Goenka

Harsha V. Agarwal

Our Presence

60+ Countries | 8 Factories (including one overseas unit)

4 Regional Offices | 26 Depots.

Bankers

ICICI Bank Ltd. | HDFC Bank Ltd.

HSBC Ltd. | Citi Bank N.A.

DBS Bank Ltd.

Registrar & Transfer Agent

Maheswari Datamatics Private Limited,

23, R.N. Mukherjee Road,

Kolkata 700 001, West Bengal, India,

Tel: +91-33-2248 2248, Email: mdpldc@yahoo.com

Registered Office:

Emami Tower, 687, Anandapur,

EM Bypass, Kolkata 700 107, West Bengal, India.

Tel : +91-33-6613 6264

Email: investors@emamigroup.com

Website: www.emamilttd.in

CIN: L63993WB1983PLC036030

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RS Agarwal and RS Goenka

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ABOUT THE INTEGRATED REPORT

Introduction to the integrated report

The Integrated Report is a part of Emami Limited's (hereafter referred to as 'Emami') primary report to shareholders. This report reviews Emami's business model, risks, opportunities, operational and governance performance for the financial year ended 31st March, 2020.

Report boundary and scope

The Annual Report covers information on business operations disclosed through the six capitals enunciated by the International Integrated Reporting Council. In assessing the issues that materially impact value-creation, we have appraised beyond the financial reporting boundary to address the material interests of relevant stakeholders and address significant risks, opportunities and impacts associated with our activities over the short-term (less than 12 months), medium-term (one to three years) and long-term (beyond three years).

Reporting framework

The Annual Report has followed the International <IR> Framework as developed by IIRC (www.integratedreporting.org) and should be read in conjunction with the financial statements, included herein and the notes thereto. The financial and statutory data presented has been in accordance with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable laws.

Materiality

This Report provides fair and balanced information about the relevant matters that substantively affect the Company's ability to create value including risks and opportunities or prospects. To identify material information or matters, the Company has taken a holistic perspective by regularly engaging with the various key stakeholders.

Assurance

The statutory auditors, M/s S.R. Batliboi & Co. LLP have provided assurance on the financial statements and the Independent Auditor's Report has duly been incorporated as part of the report.

Forward-looking statement

In this Annual Report, we disclosed the Company's objectives, expectations and forecasts to empower investors to take informed investment decisions. This report and other statements – written and oral – that we periodically make may be forward-looking within the meaning of applicable securities laws and regulations. We tried wherever possible to identify such statements by using words such as 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of prospective performance. Although we believe that we have been prudent in our assumptions, actual results could differ materially from those expressed in the statement. The achievement of results is subject to risks, uncertainties and inaccurate assumptions.

Note: All financial figures and growth data are based on Consolidated financials, unless otherwise stated. All market shares pertain to MAT December 2019 in volume terms

EDITOR'S NOTE

Dear shareholders,

We present the first Integrated Annual Report of Emami Limited. We believe that the time has come to extend beyond the conventional appraisal of corporate performance. This appraisal needs to be not as much about our topline and bottom-line but all factors influencing these visible indices.

The result is that our Annual Report has analysed all factors that have translated into our sustainability: Manufacturing Capital, Natural Capital, Financial Capital, Intellectual, Social & Relationship and Human Capital. The interplay of these capitals has translated into a sustained growth in net worth and other stakeholder-centric measures. Even as the Indian economy was affected by the slowdown, Emami prioritised research, product introduction, cost optimisation, footprint expansion, direct reach and modern trade expansion and digitalisation. We believe that our business model will be more relevant in a new world facing the challenge of COVID-19 as consumers invest more in hygiene, healthcare and wellness. Emami is positioned to capitalise and resume its multi-year growth journey.

Editorial Board

N H Bhansali
Rajesh Sharma
Mahasweta Sen
Arpit Shah
Pritha Roy Chakrabarti

About Emami

Even as you are reading this, more than 130 Emami products would have been bought by consumers somewhere in the world.

Emami Limited is one of the most exciting Indian FMCG companies with a distinctive ayurveda focus.

The Company caters to a number of niche categories in the personal care and healthcare segments.

The Company has established a reputation for creating product categories from scratch and carving out a disproportionate share of those markets.

Our vision: Making people healthy and beautiful, naturally



OUR MISSION

- To contribute whole heartedly towards the environment and society integrating all our stakeholders into the Emami family
- To make Emami synonymous with natural beauty and health in the consumers mind
- To drive growth through quality and innovation in products and services.
- To inculcate the culture of inclusion and mutual trust with a commitment to their future, thereby developing and strengthening an emotional bond between the Company and its employees
- To uphold the principles of corporate governance
- To empower and encourage decision making ability at all levels of the organisation

Pedigree

- Promoted and founded by two childhood friends RS Agarwal and RS Goenka; commenced commercial operations in 1974
- Headed by the founders and the second generation promoters; supported by a team of professionals

Products

- Engaged in the manufacture and distribution of personal care and healthcare products (with an ayurvedic bias in most cases)
- The Company's Power Brands comprise Navratna, BoroPlus, Zandu, Fair and Handsome, Kesh King and Mentho Plus, among others.

Presence

- Headquartered in Kolkata, West Bengal
- Seven manufacturing units across India and one overseas unit
- 26 product storage depots across India
- 60+ countries where the Company's products are sold
- Listed on National Stock Exchange (scrip code: EMAMILTD), Bombay Stock Exchange (scrip code: 531162) and Calcutta Stock Exchange (scrip code: 018136)

We would strive...



To be part of every household in the country



To be a major player in every product category we venture into



To be one of the most respected marketers



To be recognised as a global brand

Key numbers, 2019-20

Revenue

2,655 ₹ CRORE

EBIDTA

691 ₹ CRORE

Cash Profit

639 ₹ CRORE

Permanent employees

3,215

Gross Margin

67.0%

EBIDTA margin

26.0%

Cash Profit margin

24.1%

ROCE (on Cash Profit)

31.4%

Cash EPS

14.1 ₹

Dividend per share

400%

Is there a future for Emami in a world facing the challenge of COVID-19?

We believe that the rationale of our existence will only be reinforced going ahead.

Most of Emami's products are not discretionary; over the last few decades, they have become essential.

Emami's products are not about the functional; they are about the experiential.

Emami's products are not just 'products'; they cater to the senses of smell, feel, appearance, immunity and well-being.

Emami's products are not cosmetic; they address the needs of health, hygiene and immunity.

Emami will remain relevant as long as people will want to feel good about themselves and stay healthy.

RS Agarwal and RS Goenka
Founders



RS Agarwal (right) and RS Goenka

FOUNDERS' STATEMENT

The disruption is temporary; the resilience is enduring.

Dear shareowners.

We are passing through one of the biggest upheavals in living memory.

The Novel Corona Virus (COVID-19) aggravated what, until the start of the last financial year, was only a cyclical slowdown. A farm sector slowdown affected rural consumption. A delayed winter affected the offtake of winter portfolio/products. A sluggish macro-economic environment resulted in a decline in consumer spending on discretionary products.

A combination of these factors affected the performance of the FMCG sector, which reported one of the slowest growth rates in years.

This slowdown affected the performance of Emami Limited as well.

Challenging times. Inspiring responses

Emami believes that the disruption is temporary and resilience is permanent. Emami believes that the disruption is temporary and resilience is permanent.

At Emami, we deepened our focus, working on the pharmacological studies of ayurvedic ingredients and reinforcing their efficacy, herb effectiveness, scientific data aggregation and global product acceptance. To strengthen our research, we collaborated with government research institutions and Ministry of AYUSH to introduce research-based products that targeted lifestyle diseases.

At Emami, we are convinced that the more sustainable companies are those that remain competitive across market cycles. In view of this, we initiated Project WOW (War on Waste) to moderate costs with the help of a global management consultancy. To enhance logistics efficiency, Emami optimised routes, reducing its carbon footprint.

At Emami, we believe that the wider the product availability, the stronger the offtake. We strengthened our distribution model by enhancing our presence across the modern trade and online retail channels to rationalise our dependence on general trade. We enhanced our direct reach, provided hand-held devices to our sales team members and strengthened our distribution coverage and analytics. In response to the growing need for modern trade formats (including e-commerce platforms), Emami launched platform-specific products and SKUs. Besides, we overhauled our global distribution channel in key geographies integrating the Creme 21 acquisition, consolidating key markets and strengthening our international business.

At Emami, we believe that sustainable companies possess strong brands that generate multi-year revenues. The Company introduced innovative brand extensions, strengthening their relevance across the seasons. Emami re-launched a number of products around improved formulations as well, generating excitement and renewed

AGILITY OF RESPONSE

To address the growing demand for hand sanitizers following the outbreak of COVID-19, Emami launched hand sanitizers under its flagship antiseptic brand BoroPlus. Emami prioritised the launch of BoroPlus Advanced Anti-Germ Hand Sanitizer in the shortest time. This was followed by the launch of an Ayurvedic Hand Sanitizer under the Zandu brand and a hygiene products range under the BoroPlus brand.

vigour and building on an existing positive recall. In view of the growing demand for hygiene and immunity-boosting products following the outbreak of COVID-19, we launched a hygiene range under the BoroPlus brand and various immunity-building products like AYUSH Kwath Kadha and single herbs range / under the Zandu brand.

At Emami, we believe that businesses need the right architecture to remain sustainable. Emami leveraged its Family and Business Council structure; the apex family council comprised second generation Promoter-Directors, headed by the Founders, while the Business Council comprised the Founders, second generation Directors and professional business heads. These councils converged periodically to navigate business-strengthening decisions, an effective governance model.

Emami reinforced its position as a company that shares upsides liberally. Our Board approved a ₹192 crore buyback offer at a price not exceeding ₹300 per share. We believe that this buyback will reduce the number of shares outstanding, at a good price enhancing shareholder value across the future.

Outlook

Emami is adequately prepared to capitalise on sectorial opportunities. The Company's Power Brands possess attractive headroom, which could drive Emami's growth in a sustainable way.

Note of thanks

We must extend our gratitude to all our stakeholders for reposing their confidence in us.

The disruption may be temporary; the resilience is enduring.

We believe that this ongoing adversity opens opportunities to enhance stakeholder value.

RS Agarwal and RS Goenka
Founders

<p>▶ At a glance</p>	<p>▶ The COVID-19 pandemic aggravated the FMCG sector slowdown</p>	<p>▶ Emami focused on countering challenges</p>
<p>▶ Emami built on strengths to capitalise on an upturn</p>	<p>▶ Promoters and professionals navigated the business direction</p>	<p>▶ Power Brands possess attractive headroom for sustainable growth</p>

International business
Realign our distribution across key markets; expand our Creme 21 presence

Project WOW
Focus on cost rationalisation

Larger SKUs
Launch premium channel-specific SKUs

Power Brands
Deepen our presence in under-penetrated geographies

Launches
Accelerate product launches and extensions, rejuvenating revenues

Digitalisation and e-commerce
Sustain investments in sales channels of the future while digitalising traditional distribution channels

Localisation
Enhance localisation; optimise costs

How we expect to grow our revenues and margins

Board of Directors



R S Agarwal

Founder & Executive Chairman

A Chartered Accountant, Company Secretary, LLB and a Master Degree holder in Commerce, Mr R S Agarwal, Founder of Emami Group, is considered as a present-day Management Guru with a great far-sight. An administrator par excellence, he possesses deep consumer insight and believes in the motto – 'innovate to disrupt'.



R S Goenka

Founder & Wholetime Director

A Master of Commerce and Bachelor of Law. A taxation expert, a master in strategic planning, corporate affairs and finance, Mr R S Goenka, Co-Founder of Emami Group, recognises the need to go into details and gives significant premium on loyalty and commitment.



K N Memani

Independent Director

A Chartered Accountant and former Chairman and Country Managing Partner of Ernst and Young, India. He has expertise in business and corporate advisory, foreign taxation, financial consultancy and has advised several domestic and foreign companies on corporate affairs.



Y P Trivedi

Independent Director

Eminent tax expert and advocate, Supreme Court. Mr. Y P Trivedi was also the former member of the Rajya Sabha of the Parliament. He is a member of the Managing Committee of the Merchants Chamber of Commerce and also a member of various Government Committees like the Standing Committee on Finance and Consultative Committee for the Ministry of Commerce among others.



Amit Kiran Deb

Independent Director

Former Chief Secretary, Government of West Bengal and former Chairman of Gujarat Ambuja Housing Development Limited, a joint sector company. He is also the former Commissioner cum Secretary, Education and Social Welfare Department, Government of Tripura and Former Joint Secretary, Cabinet Secretariat and Department of Electronics, Government of India.



Debabrata Sarkar

Independent Director

A Master of Commerce and a holder of distinctive qualifications of FCA and CAIIB, he is the former Chairman & Managing Director of Union Bank of India. As a successful banker, he handled various other significant positions.



S K Goenka

Managing Director

One of the pillars of Emami Ltd. With rich industry experience, he drives production, factory operations, distribution, procurement and packaging among others. His leadership skills have led his team to achieve excellence in quality management, which have been recognised by winning various awards and accolades.



Mohan Goenka

Wholetime Director

A Management Graduate from Cardiff University, UK. A key member of Emami Group's core Advisory Team. With his extensive knowledge and experience in brand development, sales, marketing and finance, Mohan Goenka co-leads the FMCG business along with other Promoter Directors of Emami Ltd. His strong people skills and team building capabilities make him a natural leader.



Rama Bijapurkar

Independent Director

A recognised thought leader on market strategy and India's consumer economy, Ms. Bijapurkar holds a degree of B.Sc. in Physics from Delhi University and a PGDM from IIM Ahmedabad. She is a keen commentator on social and cultural trends in fast-changing India. She has an independent management consulting practice and works with a range of global and domestic companies, across sectors.



P K Khaitan

Independent Director

A Bachelor of Commerce, LLB and Attorney-at-Law (Bells Chamber, Gold Medalist). He is an Advocate and the Senior Partner of M/s. Khaitan & Co, a leading Indian law firm and also member of the Bar Council of India, the Bar Council of West Bengal and the Indian Council of Arbitration.



C K Dhanuka

Independent Director

A graduate in Commerce and well known Industrialist and promoter of "Dhunseri" group of Companies. He is the Managing Director of Dhunseri Tea & Industries Ltd and Executive Chairman of Dhunseri Ventures Limited.



S B Ganguly

Independent Director

The former Chairman of Exide Industries Ltd. He serves as a Director of Paharpur Cooling Towers Ltd and Sucharitra Printers Pvt. Ltd. among others.



Aditya V Agarwal

Non-Executive Director

Being one of the eldest scions of the Emami family, Aditya V Agarwal has witnessed the growth of the company from its humble beginning to it being one of the leading FMCG companies in India today. A people's person, he is well respected for his sharp strategic mindset and innovative approach to turning around businesses with his determination & vision. He has diverse experience in managing businesses across verticals like FMCG, cement, edible oil & bio-fuel, health care services and paper manufacturing businesses.



Harsha V Agarwal

Wholetime Director

A key member of Emami Group's core Advisory Team responsible for the Group's overall growth strategy, Harsha V Agarwal co-leads the FMCG business along with other Promoter Directors of Emami Ltd. Known for his leadership qualities, strategic mindset and indepth knowledge of various businesses, he had steered the acquisition of Zandu and Kesh King and more recently Creme 21, the iconic German Brand and many others.



Priti A Sureka

Wholetime Director

An alumnus of the Harvard Business School, Priti A Sureka is an inspiring woman business leader. A key member of Emami Group's core Advisory Team that is responsible for the Group's overall strategy, Priti co-leads the FMCG business along with other Promoter Directors of Emami Ltd. With her deep understanding of the evolving needs of consumers resulting in dynamic changes to product lines across the globe, she passionately guides research to "innovate with purpose".



Prashant Goenka

Wholetime Director

An MBA in International Marketing & Finance, from the University of Wales, Cardiff, UK, Prashant Goenka with his strategic vision and business acumen, coupled with a deep knowledge of the overseas markets, has been able to establish footprints of Emami brands in over 60 countries over the last two decades. He played a key role in the recent acquisition of the iconic German Brand Creme 21 and opened doors for Emami in few largest consumer markets.

10-year performance highlights

₹ Lacs

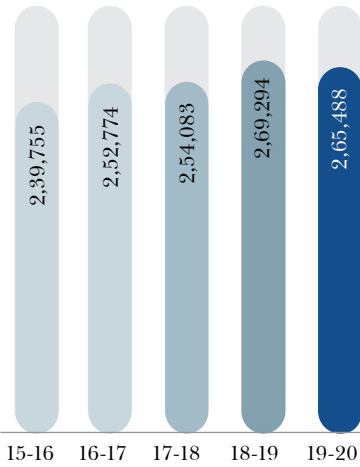
PARTICULARS**	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
A. OPERATING RESULTS										
Revenue from Operations	2,65,488	2,69,463	2,54,083	2,52,774	2,39,755	2,06,767	1,72,765	1,60,996	1,38,116	1,18,774
EBITDA	69,055	72,722	71,944	75,913	68,727	54,312	44,704	34,968	29,604	25,443
PBT	37,358	40,341	39,256	42,362	42,277	58,899	46,753	37,461	29,621	27,012
PAT (after minority interest and associate)	30,292	30,323	30,714	34,042	36,353	48,215	41,287	32,067	25,612	22,972
Cash Profit ^c	63,925	62,854	61,801	64,900	61,846	51,646	44,804	34,264	27,492	24,371
B. FINANCIAL POSITION										
Fixed Assets (Net Block)	1,46,722	1,71,232	1,82,845	2,01,122	2,03,705	47,759	40,777	43,965	48,034	49,094
Liquid Investments	6,833	786	12,806	3,332	1,193	49,657	28,922	15,634	7,356	-
Other Assets	1,14,293	1,10,219	84,423	55,862	64,324	73,455	60,530	62,018	61,927	60,635
Total assets	2,67,848	2,82,237	2,80,074	2,60,316	2,69,222	1,70,871	1,30,229	1,21,617	1,17,317	1,09,729
Share Capital										
- Equity	4,532	4,539	2,270	2,270	2,270	2,270	2,270	1,513	1,513	1,513
- Preference	-	-	-	-	-	-	-	-	-	-
Reserves & Surplus	1,77,843	2,03,067	1,99,091	1,73,200	1,58,891	1,28,934	87,401	76,348	77,023	68,336
Net Worth	1,82,375	2,07,606	2,01,361	1,75,470	1,61,161	1,31,204	89,671	77,861	78,536	69,849
Minority Interest	(86)	(20)	57	141	410	456	1	5	12	7
LOAN FUNDS	21,023	10,987	32,591	47,295	67,144	3,588	4,502	12,010	16,114	22,937
Deferred Tax (Net)	346	1,604	1,467	2,816	904	2,212	479	1,368	1,450	1,370
CAPITAL EMPLOYED	2,03,658	2,20,177	2,35,477	2,25,722	2,29,618	1,37,460	94,653	91,244	96,112	94,163
C. KEY RATIOS										
ROE (%) (On Cash Profit)	35.05	30.28	30.69	36.99	38.38	39.36	49.96	44.01	35.01	34.89
ROCE (%) (On Cash Profit)	31.39	28.55	26.25	28.75	26.93	37.57	47.33	37.55	28.60	25.88
Debt - Equity Ratio	0.12	0.05	0.16	0.27	0.42	0.03	0.05	0.15	0.21	0.33
EBIDTA Margin (%)	26.01	26.94	28.32	30.03	28.67	26.27	25.88	21.72	21.43	21.42
Cash Profit Margin (%)	24.08	23.34	24.32	25.63	25.80	24.98	25.93	21.28	19.91	20.52
Interest Cover	18.78	19.85	12.44	8.30	8.82	115.57	87.85	58.02	20.47	18.74
D. EQUITY SHARE DATA*										
Cash Earnings per Share (₹)	14.08	13.85	13.61	14.30	13.62	11.38	9.87	7.55	6.06	5.37
Dividend per Share (₹)	4.82	4.19	4.21	4.21	4.21	4.15	4.09	3.12	3.10	1.36
Book Value per Share (₹)	40.18	45.74	44.36	38.65	35.50	28.90	19.75	17.15	17.30	15.39

* Previous year EPS, DPS and Book value has been adjusted as per the present face value of ₹1 per share.

**All figures have been restated as per Ind AS

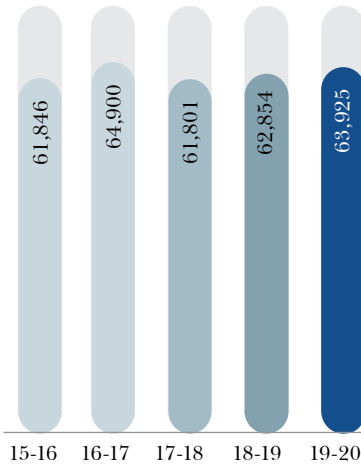
^cCash Profit = PAT + Depreciation & Amortisation

(₹ in lac)



Revenues

(₹ in lac)



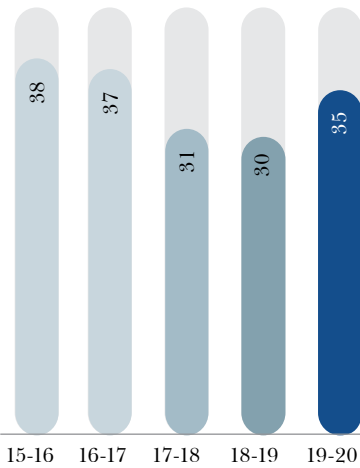
Cash Profit

(% of revenue)



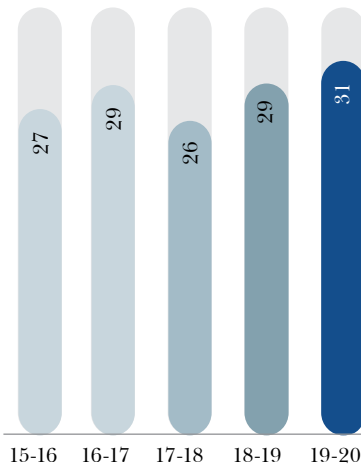
A&P Spend

(%)



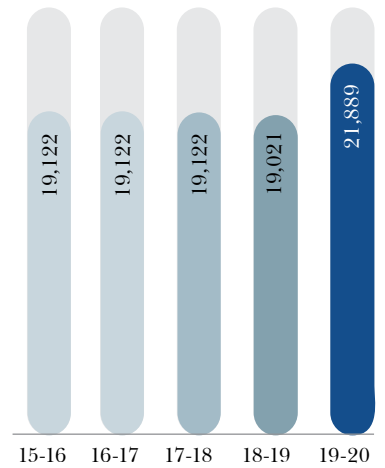
ROE

(%)



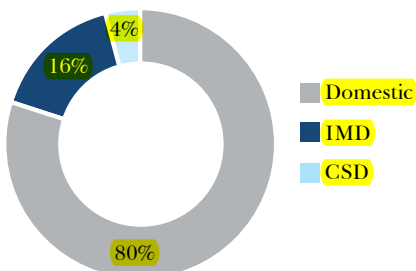
ROCE

(₹ in lac)



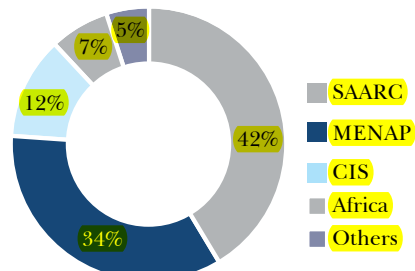
Dividend Paid

Revenue Split



International Business

Cluster-wise Revenue Contribution FY20 (%)





PERFORMANCE REVIEW

The Managing Director analyses the challenges of 2019-20 that were addressed through focus and commitment

A CONVERSATION WITH
SUSHIL GOENKA,
MANAGING DIRECTOR, EMAMI LIMITED

The big reason behind Emami's resilient performance was the success of the Power Brands' strategy, coupled with stringent cost optimisation initiatives.

Q. Were you happy with the performance of the Company in 2019-20?

A. The answer is yes and no. It was one of the most challenging years in the country's history. The Company entered the financial year under review, addressing weak rural demand, liquidity concerns, food inflation and sluggish consumption sentiment. Besides, the Company's winter performance had been affected by a delayed winter onset and the extension of the season that affected the offtake of summer products.

The country was yet to recover from these realities when it was affected by the onslaught of the COVID-19 pandemic during the last quarter of the year under review. The result: consumer spending in niche and discretionary categories was affected and the FMCG sector ended 2019-20 with a sense of uncertainty.

Despite these challenges, Emami embarked on various initiatives to strengthen its sectorial positioning: enhanced direct retail reach, deepened presence in modern trade formats (including e-commerce platforms), launched e-commerce channel-specific products and SKUs, implemented sales force automation and responded with real-time decision-making.

These initiatives helped the Company's Power Brands increase their respective market shares in the Indian and international markets. Our restructuring of distribution in key international geographies and successful integration of Creme 21 helped generate 16% y-o-y global revenue growth. Emami serviced more than 60 countries through proprietary manufacturing units in India and Bangladesh (with a third-party unit in Sri Lanka). The relatively new Emami 7 Oils in One reported a handsome global performance by registering 42% y-o-y revenue growth with Bangladesh remaining Emami's key global geography.

Besides, Emami strengthened its product portfolio; the Company re-launched Kesh King around improved formulation, communication and packaging. The Company also focused on enhancing the visibility of Kesh King Medicinal Shampoo, which grew strongly during the year.

While traditional channels continued to be impacted within

India, we increased our presence in new age channels like modern trade & e-commerce, which grew 16% in FY20 and increased their contribution to domestic business to 9%.

Q. How did the Company maintain margins in 2019-20?

A. To moderate the impact of the prevailing environment, Emami strengthened its process efficiency through Project WOW (War on Waste). This initiative covered the media purchases, raw material procurement, production, packaging and supply chain management. Further, tight cost control and benign raw material prices helped improve gross margins by 130 bps to 67.0% and despite a one-time write-off amounting to ₹11 crore, our cash profit grew 2% to ₹639 crore and margins grew 80 bps. We believe that our improved performance in this challenging environment represented a validation of our resilience.

Q. What was the principal reason behind this resilient performance?

A. The big reason behind Emami's resilient performance was the success of the Power Brands strategy, coupled with stringent cost control initiatives. This empowered the Company to deepen brand investment in each, enhancing effectiveness. For instance, Balms reported a 130 bps growth in market share; Navratna Oil reported a 10 bps increase; Kesh King Scalp and Hair Medicinal Oil reported a 140 bps growth in market share and BoroPlus gained 30 bps market share. Fair and Handsome despite reporting a drop in offtake largely protected its market share.

We are optimistic that there is significant growth left in our Power Brands like Navratna Oil enjoying a market penetration of 10% and accounting for 66.4% market share in the therapeutic oil segment.

Zandu Pancharishta, which had earlier reported a sales decline due to the way the product was consumed (as an antacid, whereas it was an ayurvedic solution that enhanced digestion), was re-launched featuring Amitabh Bachchan as the brand ambassador, which revived its growth from the Q3FY20 onwards.

Q. How did the Company strengthen its distribution network?

A. Distribution remained a key Emami focus area post-GST implementation. Emami strengthened its direct reach resulting in superior market understanding, customised product development, quicker responsiveness and stronger margins. Besides, Emami strengthened its presence in the modern trade format, where it collaborated with key modern trade brands and the result was enhanced shelf visibility and availability. Besides, key Emami products were available across major e-commerce platforms, including marketplaces and portals (grocery and personal care).

Q. How did Emami deepen its relevance?

A. Over the years, Emami consistently focused on revenue rejuvenation with the objective to derive a sizable proportion of revenues from new product launches. During the financial year under review, the Company studied the consumer need-gap and discovered that in winter, consumers faced seasonal challenges and physical discomfort. Taking a cue from this, the Company extended Navratna beyond seasonal use to wider therapeutic multi-season relevance. The Company launched Navratna Garam Ayurvedic Oil, a unique oil enriched with nine ayurvedic ingredients (brahmi, mustard, cinnamon and ginger etc.) that provided warmth and protection while addressing other winter woes (headache, lethargy and numbness). Emami also launched Zandu Cough Syrup in a ₹5 value-for-money sachet to enhance utility.

Q. How did the Company's international business perform?

A. The Company's overhauling of distribution in key geographies resulted in a 16% growth in international revenues, increasing exposure within the Company's revenue profile from 13% to 16%. This growth was led by strong performance in Bangladesh. The Company completed the integration of Creme 21 into Emami's system and even introduced related products in key international

markets. Besides, Emami 7 Oils in One emerged as a more visible international brand, increasing its share in the global business. During the year under review, the Company launched its variants in Bangladesh and GCC countries. The Company launched a new range of BoroPlus products in Russia, engaged local celebrities for endorsement and extended direct distribution. During the later part of the financial year, the COVID-19 pandemic impacted the Company's international exposure but we are optimistic that this business segment could emerge as a revenue-driver in the coming days.

Q. Why did Emami report a decline in the sales of Fair and Handsome, considering that the brand is a market leader?

A. The reasons for a decline comprised liquidity crunch, lower disposable incomes and increased preference for facial hair within the age group of 20 to 29 years (moderating surface application area by 25-30%). We took corrective actions and intended to relaunch the brand in Q4FY20 around a new strategy, formulation, packaging and communication. However, due to the prevailing lockdown, we postponed the relaunch to 2020-21.

Q. How does Emami expect to perform in a post-COVID-19 world?

A. In a post-COVID-19 world, we expect consumers to be increasingly concerned about their hygiene and health; we expect an increase in online purchases. Emami is prepared; the Company extended into the hygiene category following the launch of hand sanitizers under the BoroPlus and Zandu brands as well as antiseptic soaps under the BoroPlus brand. We launched immunity-building products under the Zandu Healthcare range. Besides, the Company is scaling its e-commerce presence. The availability of large SKUs on e-commerce channels is value-accretive, strengthening consumer engagement. Our existing healthcare products address lifestyle issues and are positioned to attract consumers in a post-COVID-19 world.

THE COMPANY'S OVERHAULING OF DISTRIBUTION IN KEY GEOGRAPHIES RESULTED IN A 16% GROWTH IN INTERNATIONAL REVENUES, INCREASING EXPOSURE WITHIN THE COMPANY'S REVENUE PROFILE FROM 13% TO 16%. THIS GROWTH WAS LED BY STRONG PERFORMANCE IN BANGLADESH.

Strengths of Emami

1



Promoters: Possess a multi-decade industry experience

2



Experience: Deep insight into the need-gap of consumers

3



Niche: Presence in under-penetrated product categories

4



Benign: Ayurveda product bias; benign on human health

5



Science-backed: Products validated after extensive scientific studies and clinical trials

6



De-risked: Balanced portfolio (addressing seasons, needs and SKUs)

7



Wide: Direct presence in 20,000+ villages with a population of ~3000

8



Deep: ~3250 distributors; product availability across 4.5 mn+ retail outlets

9



Spread: Presence in more than 60+ countries

10



Benefits: Largest manufacturing unit in a tax-friendly zone

11



Lean: Lean Balance Sheet; debt-equity ratio of 0.12

Emami's state-of-the-art manufacturing unit at Pacharia, Assam



How Emami strengthened its performance in 2019-20



Founders with second generation leaders



Sitting (left to right): R S Goenka, Priti A Sureka and R S Agarwal

Standing (left to right): Harsha V Agarwal, Prashant Goenka, Manish Goenka, Aditya V Agarwal and Mohan Goenka

Challenging times.

Inspiring responses.

Overview

The year 2019-20 was one of the most challenging for the Indian FMCG industry.

Following the economic slowdown that commenced with the NBFC sector crisis in 2018, the slowdown ripped across to sectors like automobiles, banking, real estate and infrastructure. This affected consumer confidence and FMCG offtake. Besides, the latter part of the year was affected by movement restrictions related to COVID-19, affecting performance in the last month of the last quarter.

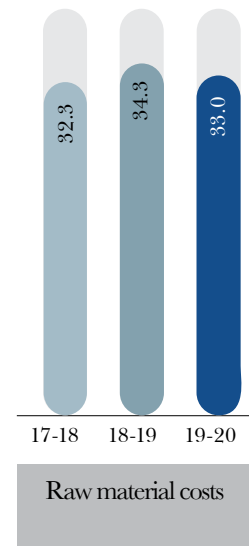
At Emami, we could have waited for the situation to improve. Instead, we sought to look within with the objective to enhance competitiveness and profitability.



1 Optimising costs

At Emami, we believe that at a time when passing on cost increases to consumers are difficult, the capacity to remain competitive across market cycles represents the key to long-term sustainability. In view of this, Emami deepened its focus on processes to moderate costs. The most decisive Emami initiative in this regard was the engagement of the global consultant AT Kearney to kick-start Project WOW (War on Waste). The Company consolidated media management outsourcing into a single agency, optimised its raw material costs, trade inputs and other costs.

(Raw material costs as a % of sales)



2 Direct engagement

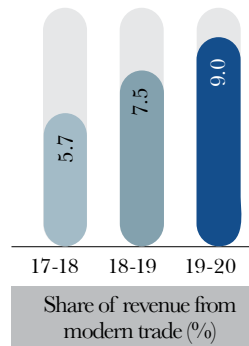
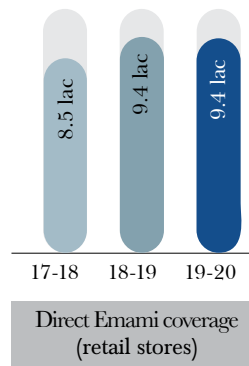
In the past, over 50% of Emami's business was driven by the wholesale channel. In addition to weakening consumer sentiment, GST implementation and demonetisation affected the general trade offtake. Seeing the writing on the wall, Emami began to moderate its dependence on this channel, seeking to directly touch more outlets, moderate costs and enhance responsiveness.

The advantage: increased retail visibility and reach compared to a major dependence on wholesalers.

In 2019-20, the Company commenced a van operation (Project Dhanush) with the objective to reach villages down to a population of 3000. The van-led distribution initiative was integrated

with the core sales team to strengthen billing. The Company moderated costs in circumventing villages generating sub-optimal revenues from its distribution route plan.

Meanwhile, Emami strengthened its modern trade and e-commerce visibility. The Company's modern trade revenues increased 16% in FY2019-20, strengthening the proportion of overall revenues from 7.5% to 9.0% in FY2019-20. Besides, focused promotions, platform availability and trade-specific SKUs / products helped the Company grow contribution from the e-commerce segment (1.2% of the business in FY2019-20 compared to 0.5% in FY2018-19).



3 New product launches



At Emami, we believe that the successful introduction of new products makes it possible to rejuvenate revenues and provide a growth platform. During the year under review, the Company sustained launches with the objective to explore new categories or de-seasonalise brands. Emami launched an extension of the multi-year success of the Navratna brand with Navratna Garam Oil to target lapsers in winters, offering solutions for headache, numbness and lethargy. The Company also launched innovative products like Zandu Ayurvedic Cough Syrup, HE Magic Duo and Zandu Anand Balm in the domestic business. For the International markets, the Company launched new variants of Emami 7 Oils in One and a Perfect Derma Range under the BoroPlus brand.

4 Leveraging ayurveda

Emami recognises that it is more than just a Company; it is an evangelist in enhancing the acceptability of the wisdom of ayurveda. During the year under review, the Company made investments in a state-of-the-art bio assay lab to conduct traceability studies, making it possible to scientifically trace product efficacy to herb characteristics, enhancing its international acceptability.

The Company commenced cell-



5 Deepening technology investments

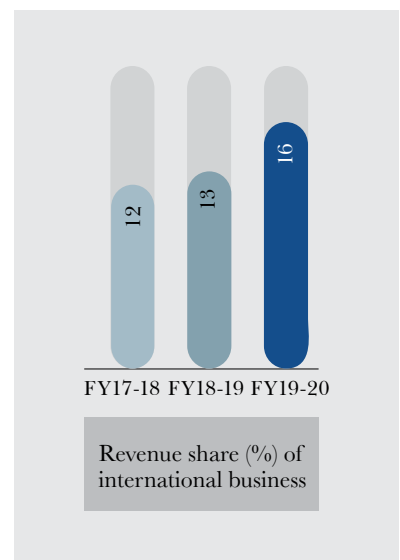
At Emami, we believe that an investment in technology accelerators helps enhance process efficiency and people productivity. The Company deepened investments in technology and analytics. It empowered the sales

based efficacy studies, empowering it to conduct quick efficacy elevations during drug development, accelerating the process of new product drug development. It commenced multi-year working on two new phytopharmaceutical categories and entered into collaborations for widening herb cultivation with farmer buyback guarantees for sustainable procurement.

team with sales force automation technology, facilitating real-time sales generation and monitoring. It extended its conventional distributor management system to an online platform for better and improved distributor management and superior sales visibility.

6 International business

Despite geopolitical challenges in various geographies, Emami's international business returned to growth in FY2018-19 and FY2019-20 following the acquisition and integration of Creme 21. The acquisition was followed by product re-launches with superior formulations and integration into Emami's existing overseas distribution channel. The Company restructured its distribution channel in Russia towards direct engagement. It changed distributor engagements in Saudi Arabia, strengthening its presence in that country. Emami launched country-specific products, increasing revenues.



7 Enhancing responsibility

In a world increasingly focused on responsibility, Emami made prudent investments to moderate its carbon footprint. The Company altered conventional boilers to briquette-fired ones to moderate costs and environment impact. It emphasised water recycling across its manufacturing plants; it focused on reducing process time moderating resource consumption. The Company also embarked on captive nitrogen production, saving material and logistic costs while moderating the carbon footprint.

Big numbers

70%

Water Recycled in
2019-20

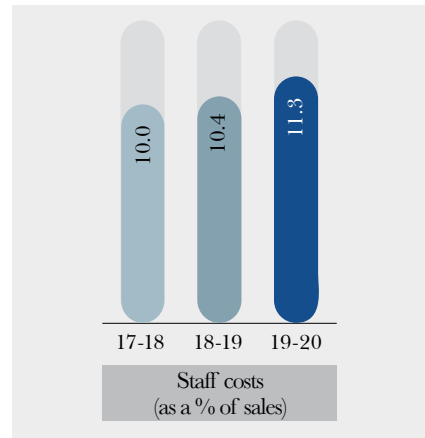
6%

Increase in Recycled
Water Use Over the
Previous Year

8 Strengthening people productivity

In a business that employs more than 3200 people, there is a premium on enhancing passion and productivity. During the year under review, Emami strengthened its people management; it focused on learning and development to drive employee skills and create leaders for the future. The Company introduced a reward and recognition program around three categories (Innovation Excellence Award for members

contributing to process and product innovation, Value Creator Awards for members enhancing topline or bottom-line value and Process Champion Awards for members executing processes with complete conformance). Besides, Emami is promoting Kolkata as a preferred workplace destination; its digital pack promotes the work culture, living conditions and infrastructure (education for kids), among others, strengthening the Company's capacity to attract and retain the best pan-India talent.

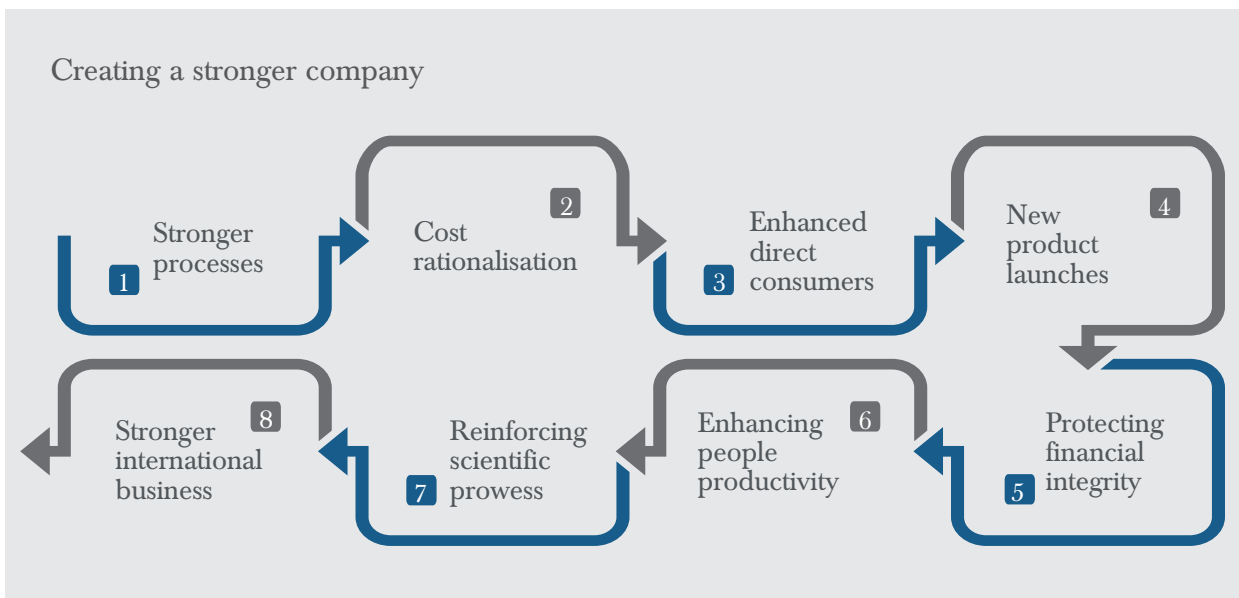
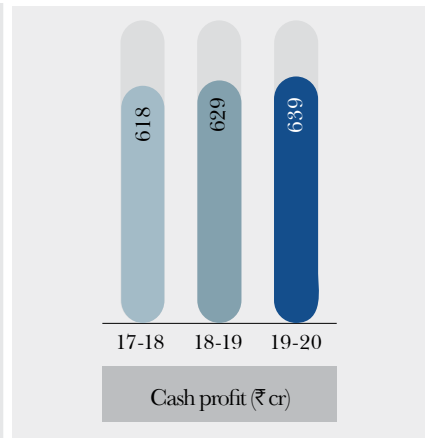


9 Financial integrity

In a business where it is imperative to remain profitable across market cycles and erratic seasonal impact, Emami continued to improve its financial depth. The Company remained financially robust with long-term debt-equity ratio at 0.12 at the close of FY2019-20. The Company's cash-and-carry business model helped generate cash. To reward shareowners, the Company announced a buyback up to ₹300 per share with cash outflow of ₹192 crore.

▶ During the year under review, Emami sustained launches with the objective to explore new categories and de-seasonalise brands.

▶ Emami reduced dependence on the wholesale channel and increased direct reach by more than 3.3 lac outlets in three years. The result: the wholesale channel accounted for around 40% of the total revenue in 2019-20 against 46% in 2015-16.



**STRONG
INSIDE
SET
OUTSIDE**

**NEW &
IMPROVED**

emami*

**7 OILS™
IN ONE**

NON STICKY HAIR OIL




MD&A AND INTEGRATED REPORT

Emami's Integrated Value-Creation report

Emami's multi-decade growth has been derived from the interplay of various competencies

- The enunciation of these Capitals has enhanced business clarity
- Sustained investments in each Capital strengthened competencies
- Each Capital is mutually exclusive and generates visible returns
- The performance of each Capital is measured

Our 7 Capitals

<p>Manufacturing capital</p> 	<p>• More than ₹700 crore invested towards upgradation and setting up of manufacturing units in the past 5 financial years</p>	<p>• Initiated backward integration projects</p>	<p>• Initiated cost optimisation projects across units</p>
<p>Financial capital</p> 	<p>• A debt-equity of 0.12</p>	<p>• Stringent cost management measures helped improvement of gross margins by 130 bps</p>	<p>• Interim dividends amounting to Rs.4 per share</p> <p>• Approved share buyback worth ₹192 cr</p>
<p>Natural capital</p> 	<p>• 6% increase in recycled water use</p>	<p>• Reduced packaging material consumption</p>	<p>• 70% water recycled</p> <p>• Investments in eco-friendly technologies</p> <p>• Logistics realignment helped in saving carbon footprint</p>
<p>Brand capital</p> 	<p>• Launched new products under Navratna, Zandu, BoroPlus and HE brands</p>	<p>• Relaunched Navratna Cool Talc, Zandu Pancharishta and BoroPlus Lotions in FY20</p>	<p>• Remained market leader for all power brands</p> <p>• Invested ₹2284 cr in A&P expenses in the past 5 financial years</p>
<p>Intellectual capital</p> 	<p>• Invested ₹110+ crore in R&D activities in the past 5 financial years</p>	<p>• More than 10 new products and variants launched in FY20</p>	<p>• Joint programs with research organisations for drug developments and traceability studies</p>
<p>Human capital</p> 	<p>• Organisation-wide people retention of 88%</p>	<p>• Conducted 9,085 person hours of training in FY 20</p>	<p>• Invested ₹1275 crore towards employee benefits in the past 5 financial years</p>
<p>Social and relationship capital</p> 	<p>• 2 lac+ people benefitted due to CSR activities in FY20.</p>	<p>• Contributed more than ₹40 cr in philanthropy in the past 5 financial years</p>	<p>• Received Star Company of the Year award during the year for innovative practices and initiatives in the field of CSR</p>

Senior Management Team



From top left: NH Bhansali, Punita Kalra, Dr. C.K. Katiyar, Vivek Dhir, Mohan Panchabhai, Vinod Rao, Gul Raj Bhatia, Dhiraj Agarwal, Nihar Ranjan Ghosh and Venkat Rao Damera.

FRAMEWORK

Emami's value-creation framework has a positive sectorial context

Global economic review

The global economy grew 2.9% in 2019 compared to 3.6% in 2018, as the result of an increase in trade disputes globally and slowdown of the manufacturing sector, coupled with a global financial crisis and Brexit. Global trade also grew a mere 0.9% in 2019 due to trade tensions and slower economic growth.

The 'Great Lockdown' is projected to shrink global growth significantly in the foreseeable future. As a result of the Novel Coronavirus pandemic, the global economy is expected to de-grow in 2020. The cumulative loss to global GDP over 2020 and 2021 from the pandemic crisis could amount to US\$ 9 trillion, greater than the size of the cumulative economies of Japan and Germany. Global income per capita is projected to shrink across 170 countries. (Source: World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC)

Indian economic review

The Indian economic growth slowed to 4.2% in FY2019-20, compared to 6.1% in FY2018-19. Retail inflation climbed to a six-year high of 7.59% in January 2020. Growth in nominal rural wages (agricultural and non-agricultural laborers) remained subdued. The nominal per capita net national income was estimated at ₹135,050 in FY2019-20, up 6.8% from ₹126,406 in FY2018-19. The Government's fiscal deficit widened to 4.6% against the target of 3.8% because of the declining revenues caused by a cut in corporate tax rates.

India emerged as the fifth-largest world economy in 2019, overtaking the UK and France with a gross domestic product (GDP) of US\$2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking, riding on reforms in seven areas and a substantial bump-up from the insolvency law rolled out in 2016. The country climbed 79 positions in the past

five years and was among the top 10 performers for the third year running. By 2024-25, the Government aspires to break into the top 25. India moved down 10 places to rank 68th on the Annual Global Competitiveness Index, largely due to improvements by other economies.

Intensification of social distancing measures is expected to lead to supply side as well as demand-side shocks to the economy. Supply chain disruptions could continue to hurt domestic production in sectors dependent on imported inputs such as pharmaceuticals, autos, chemicals, power, etc.

To mitigate the fallout of the COVID-19 impact, the Government announced a slew of measures like direct cash transfer to farmers, hiking wages under the MGNREGA scheme, and utilisation of welfare funds for construction workers to offset the adverse impact on rural demand.

Global economic growth over six years

Year	2015	2016	2017	2018	2019
Real GDP growth (%)	3.2	3.1	3.8	3.6	2.9

(Source: World Economic Outlook, April 2020)

Growth of India's GDP in FY2019-20

	Q1, FY20	Q2, FY20	Q3 FY20	Q4, FY20
Real GDP growth (%)	5.0	4.5	4.7	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, RBI, Franklin Templeton)

Indian FMCG sector overview

The fast-moving consumer goods (FMCG) sector is the fourth-largest in the Indian economy. FMCG products that dominate the market comprise detergents, toiletries, tooth cleaning products and cosmetics, among others. The FMCG industry in India comprises rural and urban India; the urban market contributes around 60%-64% of consumption revenue of the FMCG market in India. Semi-urban and rural segments contributed over 40% of the overall revenues of the FMCG sector. With 12.2% of the world's population living in the villages of India, the Indian rural FMCG market comprises a significant consumer base. In urban areas, home and personal care category - skin care, household care and feminine hygiene, male grooming – could continue to grow attractively.

Source: <https://www.investindia.gov.in>, www.bloombergpaint.com, Nielsen, www.investindia.gov.in

Outlook

Disposable incomes: Per capita incomes strengthened from ₹1,03,870 in 2016-17 to ₹1,12,835 in 2017-18 to ₹1,25,397 in 2018-19 to ₹1,35,048 in 2019-20, indicating the robustness of long-term income growth in India (barring unforeseen developments like the COVID 19 pandemic).

Population growth: India is the second-most populous country, annually adding ~15 million people to its population, a perpetually-growing market for FMCG manufacturers.

Increasing urbanisation: By FY20, ~35% of India's population is expected to be living in urban centres.

Rural prosperity: Total rural income during FY2017-18 stood at US\$ 413 billion (46% of India's total income). The rural FMCG market reached US\$ 23.63 billion during FY2017-18 and is expected to grow to US\$ 220 billion by 2025.

Sectoral development: FMCG represents the fourth-largest Indian sector. India's household and personal care account for a 50% share of the market, with healthcare (31%) and food and beverages (19%), accounting for the rest.

Growing e-commerce: The Indian ecommerce sector could reach US\$200 billion by 2027 from US\$38.5 billion in 2017 (Source: India Brand Equity Foundation) catalysed by product innovation, new channels and emerging technologies.

GST boom: GST implementation has helped soap, toothpaste and hair oil categories to be taxed lower at

18% compared to the erstwhile 24% bracket in addition to strengthening logistical efficiency.

Government support: The Government of India's decision to provide a full tax rebate for personal income up to ₹5 lac and the new income tax slabs announced in Budget 2020 are expected to enhance disposable incomes.

Mobile penetration: The number of smartphone users in India is expected to double to 859 million by 2022 from 468 million users in 2017 (Source: ASSOCHAM-PwC), driving products offtake.

Male grooming: Male grooming has emerged as an attractive growth market; an average man spends 16 minutes grooming his body, 14 minutes on his hair and 12 minutes on his face.

(Source: Worldometer, Economic Times, IBEF, Business Today, Financial Express, Business Insider)

Competitive landscape




The Indian FMCG industry has been influenced by natural and ayurvedic personal care categories. Consumers seek products with superior functionality, quality and value-for-money proposition. As a proactive organisation, Emami has undertaken initiatives to maintain or increase market share across categories.

This Summer, Stay Fresh and Cool

Thanda
Thanda
Cool
Cool



Emami's key metrics, 2019-20

Distribution	Branding	Positive impacts
 <ul style="list-style-type: none"> Products available in 4.5 million retail outlets across India Direct reach in 9.4 lac outlets; direct presence across 20,000 villages Frontline sales force of 3400 personnel 	 <ul style="list-style-type: none"> Increased focus on core brands and their extensions. Launched more than 10 products Relaunched key brands like Navratna Cool Talc, Zandu Pancharishta and BoroPlus lotions Focused R&D approach on product efficacy Extended Emami's international presence to >60 countries Integrated the acquired Creme 21 brand into Emami's distribution network Launched multiple SKUs and LUPs to enhance affordability 	 <ul style="list-style-type: none"> Maintained leadership; increased share of Power Brands Gross margins increased by 130 bps at 67.0% in FY20 Grew online and modern trade revenues by 16% in FY20 Strengthened interest cover to 18.78 in FY20 from 8.82 in FY16

Emami's strategy

Strategic focus	Key enablers	Material issues addressed	Capitals impacted
Innovate and excel	Nurtured a culture of product innovation Introduced or relaunched products around distinctiveness	Invested in technologies to enhance differentiation	Manufacturing, Intellectual and Financial
Cost advantage	Invested in cutting-edge technologies Automated manual processes Moderated costs; enhanced efficiency	Automated processes; moderated manufacturing costs	Financial and Social
Supplier-of-choice	Emphasised product differentiation, superior quality, value-addition and superior price-value proposition	Strengthened brand recall among key customers	Intellectual, Manufacturing and Social
Robust people practices	Focused on high engagement, pride of association, fair remuneration and other incentives	Improved employee engagement and transparency	Intellectual and Human
Responsible corporate citizenship	Invested more than ₹40 crore in community uplift in five years across interventions	Fostered community engagement; enhanced prosperity	Social and Natural
Focus on value creation	Committed to the manufacture of value-added products	Addressed customer needs	Intellectual, Manufacturing and Social

Value created in 2019-20

Financial capital

The financial resources that Emami seeks are based on the funds mobilised from investors, promoters, banks and financial institutions in the form of debt and net worth.

- EBIDTA: ₹691 crore
- Cash earnings per share: ₹14.1
- ROCE: 31.4%
- Net cash surplus: ₹58 cr

Intellectual capital

Emami's focus on cost optimisation and operational excellence as well as its repository of proprietary knowledge account for its rich intellectual resource.

- Research spending: ₹21.7 cr
- Research spending as % of revenues: 0.91%
- Cumulative senior management experience: 566 person-years
- Employees with the Company for 5+ years: 38%

Brand capital

Emami's strength lies in creating brands from scratch and sustaining them over time through a unique value proposition and anytime product availability.

- Power Brands: Navratna, BoroPlus,

Manufacturing capital

Emami's manufacturing assets and technologies constitute its manufacturing capital. Efficient processing of raw materials are integral to its competence.

- Manufactured throughput: >300 products
- COGS (as % of Revenues): 33.0%
- Manufacturing units: Seven in India and one in Bangladesh

Natural capital

Emami consumes raw materials sourced from nature. Its activities are directed to have only a nominal environment impact.

- Significant investment in eco-friendly technologies
- Recycled quantum: 70% of all water consumed
- Increase in the use of recycled water: 6%

Human capital

Emami's management, employees and contractual workers form a part of its workforce with their experience and competence, enhancing organisational value.

- Employees: 3215
- Age profile: 75% with age below 45 years
- Employee benefits: ₹300 cr
- Training: 9085 person-hours

Social and Relationship capital

Emami's relationship with communities and partners (vendors, suppliers and customers) influence its role as a responsible corporate citizen.

- Vendors: 950+
- Direct Reach : 9.4 lac outlets
- Overall Reach : 4.5 mn outlets
- Community lives touched: 200,000+
- % of consumer complaints resolved: 100%

Zandu, Mentho Plus, Kesh King, Fair and Handsome

- Major categories: Cool Oils, Antiseptic Creams, Balms, Male Fairness Creams, Ayurvedic Hair and Scalp Care, Male Face

Wash, Light Hair Oils, Healthcare etc.

- Brand spending, 2019-20: ₹471cr
- Brand spending as % of revenues: 17.7%
- Brands that led their segments: 5

Sharing and investing the value created

2,655 (₹ cr)
Turnover, 2019-20

639 (₹ cr)
Cash profit in 2019-20

303 (₹ cr)
Net profit in 2019-20

Value-creation activity, 2019-20

Employees
300 (₹ cr)
invested in employees remuneration

Vendors
876 (₹ cr)
Raw Materials and Finished Goods procured

Investors
200+ (₹/cr) paid out as dividend
192 (₹/cr) announced in share buyback

Consumers

10+ products added
6+ (cr) households present in India
21.7 (₹ cr) R&D investment

Communities
5.6 (₹ cr)
CSR spending

Capital expenditure
103 (₹ cr)
capex for technology and capacity creation

Exchequer
250 (₹ cr)
in exchequer contribution

RELATIONSHIPS

Stakeholder engagement

Emami recognises the importance of enduring relationships with key stakeholders through transparent, sincere and effective engagement.

Emami's stakeholders (persons, groups or organisations) are directly impacted by its activities, as well as those (persons, groups or organisations) reasonably foreseen to be impacted by its activities. A structured engagement ensures the timely communication of accurate and relevant information.

Stakeholder group	Emami consideration	Stakeholder interest
 Customers	Products are used by customers and it is imperative that they are aware of the indications, benefits and side-effects of products while the Company needs an understanding of perceptions and expectations	<ul style="list-style-type: none"> ● Quality products ● Value for money proposition ● Consistent, reliable and on-time supply ● Impact of product recalls or any quality, efficacy concerns
 Government and regulatory authorities	Emami's ability to produce, market and distribute personal care and healthcare products is dependent on manufacturing licenses and regulatory approvals issued by authorities	<ul style="list-style-type: none"> ● Legal and regulatory compliance ● Responsible products ● Social and environmental impact of operations ● Tax revenues and local investment
 Employees and collective labor organisations	Employees play an important role in achieving the Company's strategic objectives. The Company needs to understand the needs, challenges and aspirations of this important stakeholder group	<ul style="list-style-type: none"> ● Job security ● Equitable remuneration packages, performance incentives and benefit structures ● Diversity and inclusivity ● Performance management, skill development and career planning ● Reputation as an ethical employer ● Employee health, safety and wellness
 Suppliers, service providers, consultants and business partners	Empowering the Company in meeting commitments to customers and other service providers	<ul style="list-style-type: none"> ● Fair engagement terms and timely settlement ● Ongoing communication on expectations and service levels ● Fair contract terms and selection processes
 Investor and financiers	As providers of capital, these stakeholders require to be kept informed of material developments impacting the Company and its future prospects	<ul style="list-style-type: none"> ● Revenue, EBITDA and returns on investment growth ● Appropriate management of capital expenditure, working capital and expenses ● Gearing, solvency and liquidity ● Dividends ● Security over assets, ethical stewardship of investments and good corporate governance ● Fair executive remuneration

Emami's engagement	Capitals impacted
<ul style="list-style-type: none"> ● Understands customer needs; introduces new products and improves the existing ● Swift addressal of customer complaints through dedicated cells ● Regular communication about products through different media channels ● Communication with customers 	<ul style="list-style-type: none"> ● Manufacturing Capital ● Intellectual Capital
<ul style="list-style-type: none"> ● Audits of manufacturing sites to ensure Good Manufacturing Practice and regulatory compliance ● Participation in industry bodies ● Reports confirming legislative and regulatory compliance policies and processes ● Involvement in government programs to create jobs and uplifting the disadvantaged 	<ul style="list-style-type: none"> ● Social and Relationship Capital ● Manufacturing Capital ● Natural Capital
<ul style="list-style-type: none"> ● Understanding employee needs and provide enabling work environment ● Internal communication such as HR portal, announcements and posters ● Induction and internal training ● Employee surveys ● Effective talent management and succession planning ● Employee health, safety and wellness campaigns 	<ul style="list-style-type: none"> ● Human Capital
<ul style="list-style-type: none"> ● Strategic stakeholder management program ● Periodic communication on service levels and other delivery expectations ● Interactions about quality, safety and other regulatory compliances 	<ul style="list-style-type: none"> ● Social and Relationship Capital ● Financial Capital
<ul style="list-style-type: none"> ● Dedicated investor communication, analyst presentations ● Timely stock exchange intimations, press releases and newspaper publication of financial results ● Annual general meetings ● Investor communication section on the corporate website ● Engagement with the media ● Robust corporate governance system and disclosures 	<ul style="list-style-type: none"> ● Financial Capital

RISK MANAGEMENT

How we manage risks at Emami

Defining risk management at Emami

Risk is defined as the potential occurrence of an external or internal event (or series of events) that may negatively impact our ability to achieve the Company’s business objectives or financial goals. The Risk Management Committee has overall responsibility for establishing an effective risk management system that ensures comprehensive and consistent management of all material risks and opportunities. The Committee under the Board defines, governs and operates the risk management system.

Overview

In 2019-20, Emami strengthened its system to identify risks, assess materiality and minimise their likelihood or losses. The Company set up a Risk Management Team to implement the following:



▸ Co-ordinate risk management processes

▸ Develop guidelines to govern risk management processes


▸ Train employees in risk management and controls



▸ Periodically review the risk portfolio to develop mitigation plans











▸ Prepare consolidated risk reports

▸ Monitor day-to-day risk management processes across business units






▸ Prepare information and inform Board of Directors and executive bodies on risk management effectiveness

Key strategic objectives of the Company	Long-term growth and vision		People, safety and sustainability	
	Cost management		Financial strength	
	Market leadership		Innovation	

External risks			
Risk	Potential consequences	Likelihood of occurrence	External stimulus and our strategic response
<p>Economy and industry risk Emami's performance could be adversely impacted owing to the macroeconomic environment</p> 	<ul style="list-style-type: none"> Delayed/reduced offtake Regulatory uncertainty Increased taxes Adverse impact on business plans Increased operating cost Adverse impact on market capitalisation Restricted cash flows Inventory management could be adversely impacted Capacity utilisation can be affected Delayed launch of new products 	Medium	<ul style="list-style-type: none"> Emami enhanced the market share of its Power Brands despite sluggish sectoral growth Emami provided value-added products at affordable prices Most of the Company's flagship brands are available as affordable Low Unit Packs contributing to ~26% of revenues The Company launched 10 products in FY 20 and offered ayurveda-based innovative products to address consumer needs The Company made significant investments in strengthening capabilities in the channels of the future while digitalising its traditional distribution. The Company strengthened its e-commerce and modern trade visibility by hiring experienced resources
<p>Competition risk Increased competition could impact profitability</p> 	<ul style="list-style-type: none"> Margin erosion Inability to increase price Loss in market share Loss in shelf space 	Medium	<ul style="list-style-type: none"> The Company countered competitive action through brand building, product launches and extensions A majority of Emami products are present in niche spaces with limited competition. The Company is among a handful to work with ayurveda ingredients backed by scientific studies. <p>Result: Emami enjoys one of the highest gross and EBIDTA margins in the FMCG industry</p>

External risks			
Risk	Potential consequences	Likelihood of occurrence	External stimulus and our strategic response
<p>Raw & packing material risk</p> <p>Increase in raw material prices and weak availability could impact margins</p>  	<ul style="list-style-type: none"> ▶ Delay in production ▶ Increase in operating cost and lower margins ▶ Loss of sales due to product unavailability ▶ Lower capacity utilisation ▶ Loss in market share due to relatively higher product price 	Medium	<ul style="list-style-type: none"> ▶ The dedicated purchase team monitors raw material sources and prices. Based on market intelligence, effective hedging measures offset an increase in raw material costs, if any. ▶ The Company developed multiple vendors for seamless delivery ▶ During the year, Emami increased gross margins by 130 bps to 67.0%
<p>Regulatory risk</p> <p>Inability to conform to the regulations could disrupt functioning</p>  	<ul style="list-style-type: none"> ▶ Operational shutdown ▶ Loss of sales ▶ Loss of market share 	Low	<ul style="list-style-type: none"> ▶ Over the years, Emami has built a high-governance culture with appropriate policies, processes and controls. ▶ Emami implemented compliance system and management tools to ensure that all its functions and units were aware of regulations
<p>Climatic risk</p> <p>Unfavorable and delayed climatic conditions could adversely impact product offtake</p>  	<ul style="list-style-type: none"> ▶ Lower product offtake ▶ Stressed cash flow 	Medium to High	<ul style="list-style-type: none"> ▶ Emami provided products for different seasons. ▶ Apart from seasonal products, brands like Emami 7 Oils in One, Zandu, Kesh King and Fair and Handsome are largely perennial with no seasonal impact. ▶ Emami launched Navratna Ayurvedic Garam Tel, BoroPlus Organic Aloe Vera Gel and the BoroPlus Hygiene Range to mitigate seasonal impacts
<p>Currency risk</p> <p>Currency volatility could impact profitability</p>  	Impact on profitability	Medium to High	<ul style="list-style-type: none"> ▶ Emami protects receivables through effective hedging
<p>Pandemic risk</p> <p>Unprecedented onset of pandemic and subsequent lockdown could impact business growth</p>  	<ul style="list-style-type: none"> ▶ Impact on yearly performance ▶ Stressed cash flow ▶ Disruption in supply chain ▶ Halt in production 	Medium to High	<ul style="list-style-type: none"> ▶ Emami believes that there would be an increased need for health and wellness in the ongoing pandemic. ▶ Emami launched Hand Sanitizers and Hygiene products under the BoroPlus and Zandu brands. ▶ Zandu Healthcare range will play an important role in addressing consumer health and immunity. The Company has lined effective launches to address emerging hygiene issues.

External risks

Risk	Potential consequences	Likelihood of occurrence	External stimulus and our strategic response
Corporate strategy risk			
Innovation risk Inability to address consumer requirements through innovative products could impact growth 	<ul style="list-style-type: none"> Business sustainability 	Medium	<ul style="list-style-type: none"> Existing brands are being constantly nurtured and upgraded for better consumer experience. Consumer studies and clinical studies are conducted to address consumer preferences and brand promises Emami's R&D team addresses needs of consumers; it launched more than 25 products in last three years Emami made investments in digitalising traditional distribution. Emami strengthened its modern trade and e-commerce initiatives
Acquisition risk Acquisitions not in line with the Company's strategy could adversely impact long-term growth 	<ul style="list-style-type: none"> Long term growth adversely impacted Adverse impact on credit rating Losses could erode net worth 	Medium	<ul style="list-style-type: none"> Emami made successful acquisitions like Zandu, Kesh King and Creme 21 in the past The Company's recently-acquired Creme 21 was integrated and introduced in new markets
Human capital risk Inability to attract and retain talent could adversely impact growth 	<ul style="list-style-type: none"> Increased employee costs Increased competition Inability to achieve strategic objectives Lower return on employee costs 	Medium	<ul style="list-style-type: none"> Emami invested in the acquisition, training and development of human resources Emami enjoyed a stable people retention of 88% in 2019-20 Emami has developed a leadership pipeline
Finance and liquidity risk High cost financing could impact business sustainability Inability to fund daily operations owing to inadequate cash generation 	<ul style="list-style-type: none"> Impact on profitability Business sustainability 	Low	<ul style="list-style-type: none"> Emami's cash-and-carry business model enhanced cash flows. Emami enjoys a comfortable debt-equity ratio of 0.12 Emami was rated (by CARE & CRISIL) A1+ (highest rating) for short-term borrowings of ₹500 cr Emami was net cash-surplus on 31st March 2020
Technology risk Outdated technology could impact productivity 	<ul style="list-style-type: none"> Loss of productivity Quality loss Increases in operating cost 	Medium	<ul style="list-style-type: none"> Emami has consistently invested in automation and upgraded technologies. A Comprehensive Information Security Management System was created. A security road map was developed

How Emami is investing in the future



Re-energising research

- Continuous product re-engineering
- Combining and blending therapeutic impact
- Cost moderation + Increased therapeutic value
- Decline in turnaround time in new product introduction

Outcome

Launch of new products and extensions over the foreseeable future



Establishing cost leadership

- Focus on generating sustainable cost advantage
- Targeted fixed cost reduction
- Stronger control of administrative costs during a slowdown

Outcome

Costs saved reinvested in brand building



Building on power brands

- ▶ Capitalise on the untapped potential
- ▶ Leadership position
- ▶ Timely introduction of product extensions
- ▶ Addressing growth opportunities

Outcome

Continuous reinvestment, enhancing market share and margins



Strengthen the international business

- ▶ Enhancing presence in key markets
- ▶ Increased ASEAN footprint
- ▶ Federal structure; empower teams in countries
- ▶ Acquisition-led business model

Outcome

Increased share of international business revenue



Driving digitalisation

- ▶ Sales force automation (increased productivity)
- ▶ Graduated the Distributor Management System to a Cloud-based distributor system, enhancing transparency
- ▶ Deepened investments in analytics

Outcome

Enhanced organisational efficiency

INTEGRATED REPORT

Emami's Brand Capital

Whenever Devika has a headache, she trusts Zandu Balm.

When Azhar feels his skin losing radiance, he turns to Fair and Handsome.

Saileshbhai, the *kirana* store owner, knows that whenever one asks for *champi wala tel*, they mean Navratna Oil.

Monica keeps a large BoroPlus tube at home and a *dibbi* in her purse to get through the winter woes.

Brand Emami. An integral part of a consumer's daily life.

Overview

Emami is one of the largest homegrown Indian FMCG players across the personal care category. The Company offers consumer portfolio of more than 9 brands and 13 sub-brands. This portfolio has been periodically enriched or moderated with the objective to maximise consumer interest on the one hand and focus

investments on a manageable portfolio on the other.

Over the decades, the Company focused on creating brands from scratch - distinctive, niche and potential leaders across categories. These Emami brands have successfully fused age-old ayurveda and modern science, resulting in efficacy and trust. The result is that Emami is a brand-driver

that derives virtually all its revenues from proprietary brands.

Over the years, Emami's brands have been respected for their pioneering features, distinctiveness, associations with popular brand ambassadors, easy accessibility-availability-affordability, swift offtake, attractive terms of trade, superior profitability and robust reinvestment, a virtuous cycle.



Key priorities

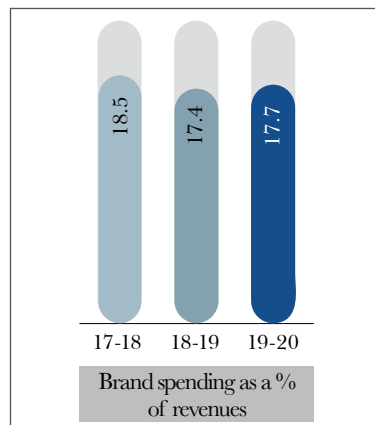
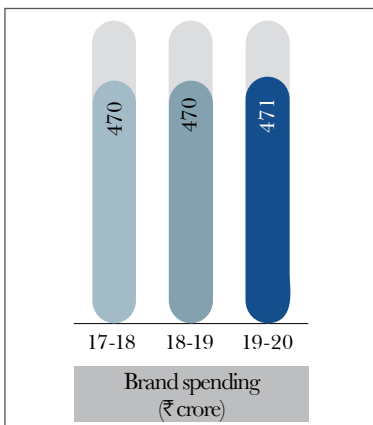
- ▶ Investment in brand building
- ▶ Engagement through popular brand ambassadors
- ▶ Generation of desired recalls
- ▶ Sustained core brands leadership
- ▶ Strengthened market shares
- ▶ Enrichment of the portfolio through new launches
- ▶ Development of strategic communication for the target audience

Key initiatives, 2019-20

- ▶ Continued to grow brands in core markets
- ▶ Launched and re-launched brands around enriched formulations and re-packaging
- ▶ Identified geographic areas for market share expansion

Outcome

- ▶ Sustained leadership of the core brands
- ▶ Identified extension possibilities and launched products
- ▶ Targeted launch for modern trade and e-commerce business



Big number

₹ 3,200 cr +
Quantum of brand spending by Emami across the decade ending 2019-20

Our Power Brands



OUR ASSETS

Emami's Power Brands and their potential

Navratna

Category size (₹ crore)*

1026

Category penetration (%)*

15%

Emami's market share (%)*

66.4%

Emami's strategy

- ▶ Increase user base and widen use among existing users in traditional markets
- ▶ Develop emerging markets by targeting new potential users to drive penetration
- ▶ Launched brand extension – Navratna Ayurvedic Garam Tel to de-seasonalise the brand
- ▶ Effective communication and activation programs through identified clusters
- ▶ Launch campaigns to tap young audience
- ▶ Engage Salman Khan to promote the brand as 'Rahat Raja' (addressing rural India).
- ▶ Deepen salon program to increase activation
- ▶ Invest in modern trade and e-commerce specific SKUs
- ▶ Enhanced caravan activity (Video on Wheels), leveraging local media print activations, wall paintings and rural sales vans

BoroPlus

Category size (₹ crore)*

645

Category penetration (%)*

24%

Emami's market share (%)*

74.1%

Emami's strategy

- ▶ Gain market share; increase penetration by targeting other categories like petroleum jelly and cold creams,
- ▶ Tap new markets
- ▶ Highlight multi-purpose use
- ▶ Strengthen brand extensions and new product pipeline
- ▶ Drive penetration through ₹10 LUPs
- ▶ Strengthen the brand through relevant extensions and targeted communication
- ▶ Focus on the hygiene space by launching BoroPlus Advanced Anti-Germ Hand Sanitizer, BoroPlus Antiseptic & Moisturizing Soaps

Zandu & Mentho Plus Balms

Category size (₹ crore)*

1262

Category penetration (%)*

37%

Emami's market share (%)*

54.9%

Emami's strategy

- ▶ Build and sharpen differentiation as an ayurvedic pain expert for headache, cold and body aches
- ▶ Build preference for Zandu over local brands and economy players
- ▶ Highlight multipurpose use of Zandu Balm
- ▶ Introduce low-priced packs to drive penetration
- ▶ launch new formats for targeted application
- ▶ Highlight the side-effects of consuming painkillers

Kesh King

Category size (₹ crore)*

991

Category penetration (%)*

9%

Emami's market share (%)*

26.6%

Emami's strategy

- ▶ Re-launched Kesh King (revamped packaging with a special comb applicator) with 2x effectiveness in hair fall reduction and new hair growth
- ▶ Continue to drive communication
- ▶ Focus on driving activation
- ▶ Enhancing penetration by focusing on promotion through a rural van
- ▶ Modern trade and e-commerce-specific SKU launch
- ▶ Drive medicinal shampoo through new campaign with new celebrity and larger size revamped SKU to own shelf space

Men's Fairness Cream

Category size (₹ crore)

401

Category Penetration

4%

Market Share

65.3%

Emami's strategy

Fair and Handsome

- ▶ Male grooming is on the rise as Indian men, who had shied away from personal grooming, found a new way to look presentable.
- ▶ Strategic price reduction in select SKUs for price parity with competition
- ▶ To relaunch Fair and Handsome cream with a new communication strategy and positioning
- ▶ Sub-brand Laser 12 helped enhance premiumisation

HE Advanced Male Grooming Range

- ▶ Extend the brand to other male grooming categories
- ▶ Invest in sustained visibility, consumer activations and trade promotions in tandem to drive offtake on base as well as for the new innovation HE Magic Duo
- ▶ Disruptions planned through packaging and product led innovations
- ▶ Leveraging van operations for HE to penetrate rural markets
- ▶ Spearheaded digital interventions to tap the online audience and leverage the e-commerce space.

Zandu Healthcare Range

Emami's strategy

- ▶ Leverage the Indian healthcare opportunity. Extend the goodness of Ayurveda in scientifically-proven products by providing long-term relief
- ▶ Map health and wellness need areas – pain, digestion, geriatrics, women care and diabetes management etc.
- ▶ New strategy and insightful communication with Amitabh Bachchan as brand ambassador for Zandu Pancharishta helped arrest degrowth. Prototyped PET bottles to prevent breakage
- ▶ Build superiority of Zandu Nityam through deeper consumer insights
- ▶ Deliver growth in ethicals and generics by automating doctor retailing and detailing
- ▶ Launch a range of immunity-boosting, problem-solution products and create new categories. Launched a unique and innovative ayurvedic cough syrup in a sachet. Established ayurvedic care for the healthcare needs of today's women through Zandu StriVeda
- ▶ Create a digital healthcare ecosystem to connect the doctor fraternity with consumers; set up an e-commerce platform of healthcare products – www.zanducare.com - to engage with a back end panel of doctors and provide more product information. Provided a doctor on call free for consumers

*Market size and market share (in volume terms) pertain to AC Nielsen MAT December'19

**Penetration level pertains to HHP, MAT Mar'20

INTEGRATED REPORT

Emami's Financial Capital

At Emami Limited, we believe that Financial Capital represents the engine that makes it possible to enhance value of the other Capitals.

Over the years, the strength of the Company's Financial Capital was reflected in the following: attractive margins, relatively low receivables cycle, sales velocity, free reserves and a low debt-equity ratio. We believe that these realities have translated into the ability to create a low cost financial foundation sustainable across market cycles.

It would be relevant to indicate that this Financial Capital made it possible for the Company to attract a credit rating of A1+, which, in turn, made it possible to raise ₹900 cr of debt to acquire Kesh King in FY16 which was repaid by FY19 validating the strength of the Company's financial foundation.

Key financial inputs



- ▶ Prudent product selection (profitable and synergic)
- ▶ Pool of funds available to Emami (capital and debt)
- ▶ Robust internal control framework
- ▶ Prudent management of financial reserves
- ▶ Focus on tax-efficient investments

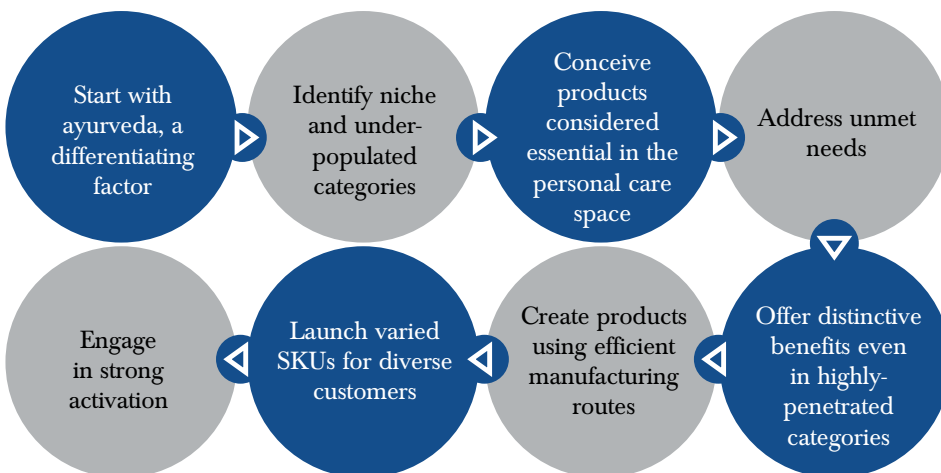
Key financial outcomes



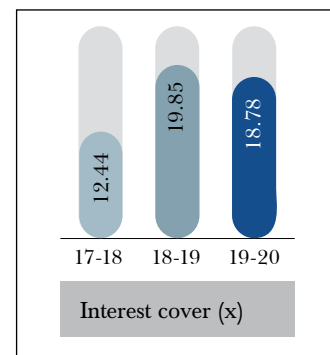
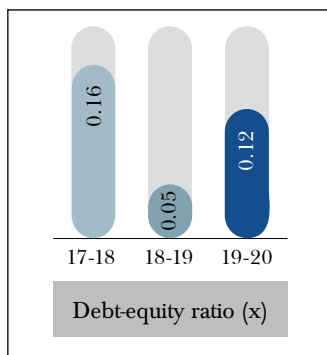
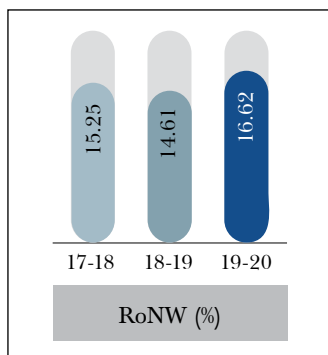
- ▶ Attractive and sustainable cash flows
- ▶ Low corporate tax incidence
- ▶ High return on employed capital
- ▶ Ability to capitalise on business opportunities
- ▶ Superior credit rating of A1+ by CARE and CRISIL

Prudent product selection

Emami's prudent product selection reflects the kick-start of a profitable journey.



Key performance indicators



Financial Review FY20

In FY20, the company's Consolidated Revenue from Operations stood at ₹2,655 crore compared to ₹2,695 crore in FY19. In the nine months ended 31st December 2019, Revenues grew by 3%. However, the business was impacted in the last quarter of the financial year due to supply chain disruptions on account of COVID-19 pandemic and the consequent lockdown which led to loss of sales in March'20.

Cost of Goods sold declined by 5% due to benign raw material costs which led to Gross Margin expansion by 130 bps at 67.0%. A&P spends (as a % of revenues) stood at 17.7% as against 17.4% in the

previous year. Staff costs stood at 11.3% of revenues as against 10.4% in the previous year. Other expenses stood at 12.0% of sales as against 10.9% in the previous year.

In the nine months ended 31st December 2019, EBIDTA grew by 4%. However, EBIDTA declined by 37% in Q4, due to the pandemic, which led to an overall EBIDTA decline by 5% in FY20. EBIDTA Margins stood at 26.0% against 27.0% in the previous year.

After absorbing a one-time exceptional cost of ₹11 crore, Profit after Tax (PAT) stood at ₹303 crore. Cash Profits at ₹639 crore grew by 2% over Previous year.

₹ in crore

Parameters	2019-20	2018-19	Growth
Revenue from Operations	2,655	2,695	-1%
EBIDTA	691	727	-5%
EBIDTA margins	26.0%	27.0%	-100 bps
PBT before Exceptional Items	384	413	-7%
PBT	374	403	-7%
PAT	303	303	0%
Cash Profit*	639	629	2%
PAT margins	11.4%	11.3%	10 bps
Cash Profit margins	24.1%	23.3%	75 bps

*Cash Profit = PAT + Depreciation + Amortisation

Key Ratios

Parameters	2019-20	2018-19
ROE (on Cash Profit)	35.1%	30.3%
ROCE (on Cash Profit)	31.4%	28.5%
Return on Net Worth	16.6%	14.6%
Debt-equity ratio (x)*	0.12	0.05
Interest cover (x)	18.8	19.9
Current Ratio (x)	1.4	1.1

*Due to increase in debt by ₹100 cr

Working Capital

Parameters (days)	2019-20	2018-19
Trade Receivables*	42	29
Inventory	33	30
Trade Payables	45	40
Other Receivables	29	27
Net Working Capital	59	46

* Due to increase in Domestic & Export Debtors

Internal control systems and their advocacy

The Company has in place an adequate system of internal controls commensurate with its size, requirements and the nature of operations. These systems are designed keeping in view the nature of activities carried out at each location and various business operations. The Company's in-house internal audit department carries out internal audits at all manufacturing locations, offices and sales depots across the country. The objective is to assess the existence, adequacy and operation of financial and operating controls set up by the Company and to ensure compliance with the Companies Act, 2013, SEBI (Listing Obligations &

Disclosure Requirements) Regulations, 2015 and corporate policies. The Company's internal audit department and risk management system have been accredited with ISO 9001:2015 and ISO 31000:2009 certifications, respectively. A summary of all significant findings by the audit department along with the follow-up actions undertaken thereafter is placed before the Audit Committee for review. The Audit Committee reviews the comprehensiveness and effectiveness of the report and provides valuable suggestions and keeps the Board of Directors informed about its major observations from time to time.



INTEGRATED REPORT

Emami's Human Capital

Overview

Emami is respected as an entrepreneurial organisation that innovates, responds with speed and pushes the frontier. The result is a complement of capabilities concised in an 'Emami spirit' that is never daunted by marketplace challenges.

Built on the foundation of its values and a commitment to the Group Code of Conduct, Emami strives to provide a safe, challenging and rewarding environment for employees. Emami's diverse, experienced, talented and professional workforce addresses a dynamic business environment.

Key priorities

- ▶ Employee expertise, skill sets and integrity
- ▶ Strong and diverse leadership team (led by the promoters)
- ▶ Human capital technology
- ▶ Robust policies and procedures

Key initiatives, 2019-20

- ▶ Sustained investment in capability building
- ▶ Talent management and succession planning
- ▶ Workforce diversity and inclusion
- ▶ Constructive engagement with employees
- ▶ Commitment to integrity and value-driven leadership
- ▶ Focus on employee health, safety and wellbeing
- ▶ Benchmarked remuneration, incentive and performance management practices
- ▶ Continued technology investment to enhance workforce agility

Outcome

- ▶ Enhanced skilling and productivity
- ▶ High performance culture – overall organisation retention rate was 88%
- ▶ Stable industrial relations – 100% strike-free operations
- ▶ Safe and healthy workforce

A robust employee policy

The human resource department formulated a dynamic employee policy. The HR department engaged in a dipstick survey regarding the policy requirements and undertook measures as per employee issues. Besides, it engaged with job-leaving persons and new recruits, incorporating findings into policy guidelines.

Equal opportunity employer

Emami's HR practice conforms to norms laid down in the national and international labor regulations. The Company is an equal opportunity employer with no bias for gender, race, linguistic or geographic preference. Only professional credentials matter while selecting a candidate. Emami provided an enabling work environment where necessary resources maximised employee productivity.

Training and development

At Emami, we believe that regular training and development catalyses sustainable growth based on two key criteria – business needs and individual aspirations. This defined the Company's learning and development agenda in addition to performance appraisal that indicated development needs. The Company provided

opportunities for employees to develop skills to grow their careers within the organisation.

To facilitate individual learning, the Company opted for mobile learning modules. Employees were encouraged to subscribe to select online programs from various learning sites. In addition to classroom programs, the Company opted for outbound experiential learning modules with a focus on team capability building, decision-making, values and work norms.

Emami's HR team arranged for leadership capacity building where the senior leadership was trained in timely decision making and the marketing team in analytical skills and real-life problem-solving.

Reward and recognition

Emami piloted a reward and recognition program comprising three awards (Innovation Excellence Awards for members who contributed to innovation in processes and products, Value Creator Awards for members who enhanced topline or bottom-line or both and Process Champions Awards for employees executing processes with complete compliance) with the objective to create role models.

Leadership succession planning

Emami identified critical talent to become potential successors for key roles. These employees were assessed for their performance and potential; based on their development needs report, they were trained to assume larger responsibilities, ensuring operational seamlessness even in the event of people attrition. The Company intends to plug at least 30% vacant and new positions with existing employees, enhancing retention.

Revamping the recruitment process

Emami engaged a leading search and consulting organisation to redefine its recruitment strategy with the objective to make Emami an aspirational job-seekers' destination. It focused on making the recruitment experience enriching for every candidate whether selected or not. It mandated psychological assessments based on job description to test skills and attitudes following the interview process. The Company engaged a robust campus recruitment process, which ensured the recruitment of quality talent. A structured learning plan for newly-recruited management trainees enhanced role-preparedness. Emami promoted Kolkata as a job

destination through a digital pack that promoted the work culture, living conditions and infrastructure of the city.

Emami's performance management system

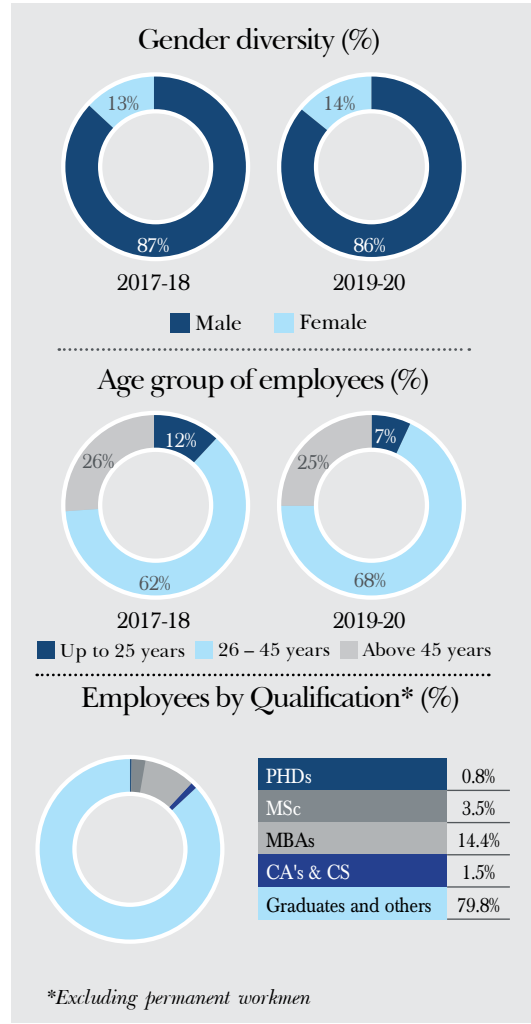
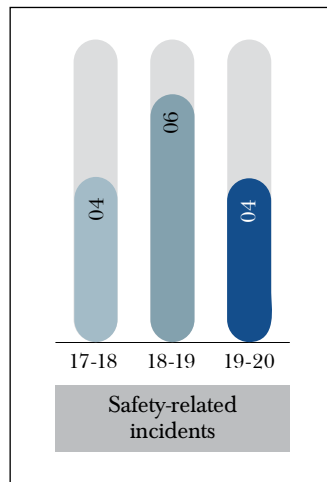
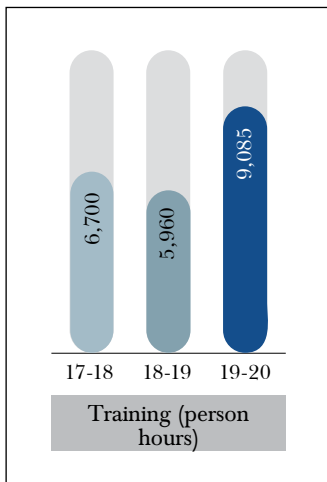
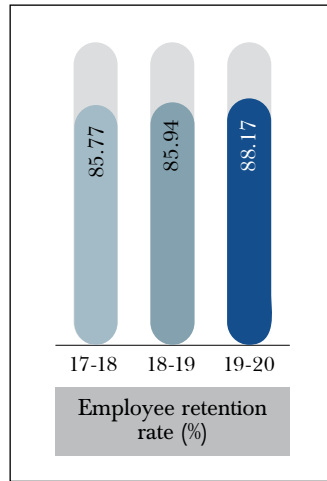
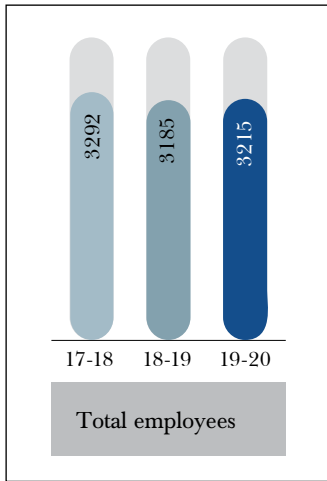
Emami strengthened its performance management system through a sophisticated employee interface platform (SAP Success Factors). The entire employee lifecycle process was

captured on this platform (starting from recruitment to performance management) with all official HR-related communication coming through this platform. It is also available on a mobile app.

Employee safety

At Emami, employee safety received strategic priority with periodic training being provided to employees. Emami employees were provided

the responsibility to identify hazard areas, resulting in their mitigation; a similar responsibility to identify the unsafe behavior of colleagues helped minimise incidents. As a result, the Company substantially reduced incidents and created more than 2200 safety check points across each manufacturing unit, strengthening an overarching safety culture.



People-edge





Pancharishta

Digestive Expert for a Changing Life

Treat the root cause of weak digestion



Two tablespoons, twice daily for 30 days





INTEGRATED REPORT

Emami's Intellectual Capital

Winter was no different for Rajesh. There was heavy work pressure which often caused sleeplessness and headache. The summer months were better as he could use Navratna Oil. Could he get something for the winter months as well? Emami came up with a solution. Navratna Garam Ayurvedic Oil. This is precisely how the R&D team of Emami works. It analyses the need gap of consumers and comes with products which are effective.

Overview

At Emami, of all the investments that we have made in our business in the last few decades, the most precious has been knowledge. The Company invested its business with knowledge across a range of disciplines: finance, product development, branding, distribution, sales, marketing, procurement, and research, among others. The ferment of these varied disciplines is that Emami has established respect for being a pioneering company within India's FMCG space.

Key priorities

- Building an overarching knowledge culture
- Intellectual property rights, marketing authorisations, licenses, trademarks and software
- Rich product pipeline
- Investments in creating an institutionalised body of knowledge
- Governance, compliance, data management systems and processes

Key initiatives, 2019-20

- Development of a prudent product pipeline customised around consumer needs and corporate focus areas
- Product development projects launched by the Company's scientists in proprietary laboratories
- Rationalisation of the existing portfolio and enhancing focus on profitable products
- Development of efficient and compliant regulatory, pharmacovigilance, procurement and supply chain systems
- Protection of intellectual property rights

Outcomes, 2019-20

- One of the highest EBIDTA margins of 26% in India's FMCG sector
- Launch of more than 25 products and variants in three financial years ending 2019-20
- High market shares across most brands, validating the Company's leadership position.

How we innovate at Emami

Emami's R&D team is engaged in the creation of a robust ayurveda-based product pipeline. The products are the outcome of an understanding of the unmet needs of consumers. The Company invested in a state-of-the-art research and development centre in Kolkata to focus on product innovation, product processing science, competition intelligence, analytical development, perfumery science, quality assurance, packaging and development. The 103-member team comprises scientists with cumulative experience of more than 1032-person years. The team has more than 17 PHDs and more than 35 post-graduates in various verticals.

Research & Development - Consumer Care Range

The Company's consumer care R&D team undertook a six-year R&D program. During this period, the team developed formulations for Indian and international customers. The development program focused on the use of organic ayurvedic elements; this was the first time that a personal care company embarked on a project where the natural quotient in a product was around 92% implying high purity. The R&D team created a bouquet of

various products ready to be graduated to the next level.

The R&D team streamlined operations; the *tel pak vidhi* process in the manufacture of Kesh King Scalp and Hair Ayurvedic Medicinal Oil with a scientific approach, resulting in a superior management of utilities, product efficacy and lower costs.

The Company's research team worked with more than 56 herbs, drawing support from the analytical cell standardising these herbs on the basis of bio-active/analytical marker compounds and this cell will also help in standardising the finished products accordingly. The team has set up an ambitious one-year program for the completion of the study.

The Company studied new products and international segments with the objective of active benchmarking. The R&D team has also embarked on conducting simultaneous clinical studies and performance assessment of products during product development stage to strengthen the product performance as well as save time and cost. The Company created an internal R&D facility to conduct these studies in-house.

The R&D team is also involved in various cost management programs. It is working with all the departments to develop alternate sourcing of raw materials, create alternate raw material mix as well as exploring laboratory materials to create synergic effects with natural ingredients.

Strengths of Emami's R&D section

Team: A strong team with expertise across diverse fields resulting in impactful innovation

Infrastructure: State-of-the-art facility aiding in development

Insights: Regularly interacts with consumer groups to understand unmet needs

Knowledge-driven: Sustained study of global research and updates

Tie-ups: Tie-ups with various research and educational institutions, aiding in path-breaking research



Innovation process

At Emami, new product development would earlier be derived from habit and attitude studies as well as consumer and brand performance studies. The modern Emami examines emerging trends (habitual, sociological and economic) while crowd sourcing insights to ideate on the emerging consumer trends. It conducts workshops to monetise these insights in the form of new products. The Company has recently concluded some of the projects and the outcome was encouraging.

Research & Development - Healthcare Range

Zandu has been present in the ayurveda-based healthcare space for more than 100 years. Following acquisition, Zandu leveraged Emami's scientific competence to re-energise its portfolio. The research team focused on addressing lifestyle ailments through relevant therapies. The team is also extracting medicinal properties from endangered plants.

Emami's healthcare R&D initiative has been reinforced through collaborative engagements with scientific institutions. During FY 2019-20, the Company undertook a collaborative pharmacological efficacy project, which enhanced an

understanding of the interaction of ayurvedic drugs with allopathic drugs. Emami emerged as the only company in India to conduct a herb-to-drug interaction study before product introduction.

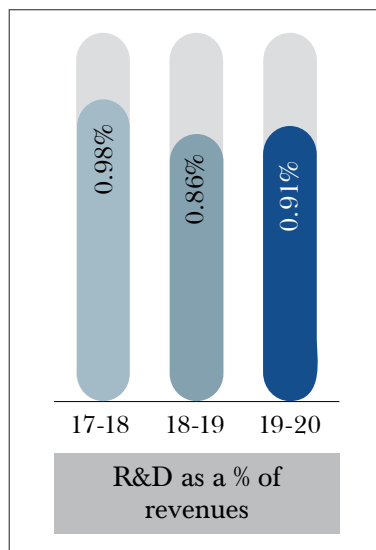
Besides, the Company worked on two new phytopharmaceutical categories and entered into an engagement to expand cultivation base with farmer buyback guarantees for sustainable procurement. It also entered into a partnership for developing quality standards of certain herbs to be used globally.

The Company focused on safe product manufacture in line with WHO-GMP requirements, undertaking toxicity studies across



four kinds of contaminants – heavy metals (mercury, cadmium, arsenic and lead), aflatoxin (infection of fungus and its trace in the finished product), pesticide residue (ensuring pesticide below the standards) and microbial load (bacteria test). The Company was a pioneer in India to test across these parameters for each product and production batch (as opposed to sample testing).

The Company commenced cell-based efficacy studies to accelerate efficacy elevation during drug development, making it possible to launch effective products faster.



Emami’s key research partners

Indian Council for Medical Research:

Apex body for the formulation, coordination and promotion of biomedical research. The Council’s priorities coincide with the national health priorities.

Department of Bio-technology:

Under the Ministry of Science and Technology responsible for administering development and commercialisation of modern biology and biotechnology in India.

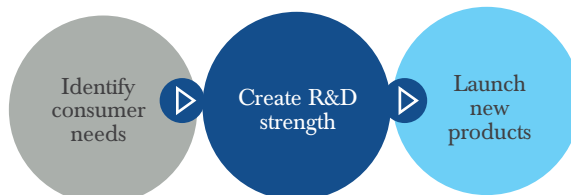
Indian Institute of Integrative Medicine:

National Institute of the Council of Scientific & Industrial Research (CSIR) of India, focusing on the research on drug discovery from natural products (medicinal plants and microbial species).

Zandu Foundation for Healthcare:

Engaged in community, personal and social services. It started the Biotech – KISAN hub of Gujarat, a part of Department of Biotechnology’s novel initiative to promote the cultivation of quality medicinal plants through sustainable use of bio-resources and generate additional income for local farmers.

Continuous innovation



INTEGRATED REPORT









Emami’s Social & Relationship Capital

Sharda Shah is an investor in Emami since its public issue was announced in 2005. The reason for her long-term holding in the organisation: timely communication about the performance, a detailed annual report, presentations every quarter. This has helped her grow her investments 17x in 20 years.

Overview

Emami is more than the name of a company; it is a metaphor for things that enhance societal value. The result is a positive rub-off of the Company’s product integrity to a larger corporate recall that stands for enduring engagement with stakeholders, value-creation, community respect and responsible citizenship.

<p>Key priorities</p> <ul style="list-style-type: none"> ▶ Enduring relationships with all stakeholders (communities, customers, regulators, investors, suppliers, distribution partners, service providers, governments, media and other key stakeholders) ▶ Responsible corporate citizenship ▶ Robust governance framework ▶ Enunciated policies and processes 	<p>Key initiatives, 2019-20</p> <ul style="list-style-type: none"> ▶ Engagements with key stakeholders; management of reasonable stakeholder expectations ▶ Socio-economic investments focused on enhancing community standards ▶ Support for economically marginalised communities (education, livelihood and other areas) ▶ Implementing a company- 	<p>wide ethical framework and legal compliance processes</p> <p>Outcomes</p> <ul style="list-style-type: none"> ▶ Recognition as a good corporate citizen with a reputation for quality products, processes and practices ▶ Value delivered to stakeholders ▶ Meeting legitimate stakeholder expectations ▶ Uplifting community lives
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Communities	Customers	Regulators	Investors
			
Contribution to society through engagement with civil society; investment in social and economic development	Effective products and solutions addressing consumer requirements	Compliance with all applicable rules and regulations	Rewarding investors through timely dividends, buyback, bonus issues and capital appreciation
Suppliers	Distribution partners	Government	Media
			
Timely procurement and payment	Timely supply of products and the right SKUs	Contribution to government through taxes and employment generation	Transparent information sharing with the media

Connecting with consumers

Emami's responsible citizenship is rooted in the nature of its products: they enhance therapy, well-being and hygiene for millions in India and the world over. Over the years, the Company's 360° communication approach and prudent digital platform use enhanced product visibility. The Company created content to address Gen Z and millennial consumers targeting specific health and lifestyle challenges. It launched a 'BoroPlus with You' programme targeting young women consumers; its 'Khoya Paya' campaign at the Kumbh Mela by Navratna proved award-winning; its Kumbh Mela engagement comprised lost and found booths and the provision of a free massage ('*champi*') registrants.

Emami's governance commitment

Emami is a governance-driven organisation led by a strong Board, enunciation of SOPs for most functions, proactive investment in digitalisation and an extensive compliance commitment. Emami's stakeholder-inclusive governance is marked by transparency and communication.

During the year under review, the Company entered into a range of structured engagements with its stakeholders.

Engaging with stakeholders

Emami focuses on strengthening returns to shareholders through a sound business model, communication transparency, investor engagement through conference telephone calls, presentation and publication of annual results across media formats. The Company's detailed annual report represents a powerful tool to highlight performance and growth strategy. Its grievance redressal system addresses investor grievances through timely resolutions.

Emami also engages with government agencies in driving projects for industry benefit. It engaged with the Ministry of Ayush for various projects, government institutions for the preservation of endangered medicinal plants in the north-east, conducting pharmacological studies and developing Ayurveda-based medicines. It is also a member of various industry associations like CII, FICCI, MCCI, Bharat Chamber of Commerce and Indian Chamber of Commerce

Things that you didn't know about Emami

- ▶ Do you know Emami sells more than 130 products every second...
- ▶ Do you know Emami is the first Indian FMCG company to initiate in-film branding in the 1980s
- ▶ Do you know that the shareholder who invested ₹1000 for the purchase of 100 shares and ₹4000 for the subsequent rights issue would presently own Emami shares worth ₹3.4 crore
- ▶ Do you know that Emami invested ₹2284 crore in advertisement and promotional expenses in the past five years
- ▶ Do you know that Emami products have been endorsed by more than 60 celebrities in the past
- ▶ Do you know Emami promoted products through more than 10 active celebrity endorsers
- ▶ Do you know Emami started its CSR activities, well before it became a corporate norm



Composition of the Board

- ▶ 16 Directors
- ▶ 8 Independent Directors
- ▶ 7 Executive Directors
- ▶ 1 Non Independent Non Executive Director
- ▶ 12.5% women on the Board

Special Board committees

- ▶ Audit Committee
- ▶ Nomination & Remuneration Committee
- ▶ Risk Management Committee
- ▶ Stakeholders' Relationship Committee
- ▶ CSR Committee
- ▶ Finance Committee
- ▶ Corporate Governance Committee
- ▶ Share Transfer Committee
- ▶ Buyback Committee

Sector-specific skills of Directors	Financial planning	Foreign taxation	Strategic planning	Corporate affairs	Commercial & corporate law	Arbitration	Foreign collaborations
	Banking	Mergers and acquisitions	Corporate restructuring	Production	Factory operations	Distribution	Procurement
Packaging	Human resource management	Information technology	Corporate communication	Media and advertising functions	Marketing	Brand development	Stakeholder management

RELATIONSHIP CAPITAL # 2

Emami's widening international footprint

Al Khalid asks for Emami in Kuwait. Rehana buys Emami in Dubai. Grigori is a committed Emami fan in Moscow. Rathanaween is impressed by Emami's superior price-value proposition in Singapore. That's because Emami has successfully created a growing presence in more than 60 countries with a focused and customised product portfolio. The result is local to the markets of its presence... Thai in Thailand and Turk in Turkey. Making Emami a global citizen of Indian origin.

Overview

In a business where scale translates into success, Emami's footprint needs to extend across the widest geographic footprint. In view of this, Emami did not just select to widen its presence across India but across the world as well. Despite the COVID-19 impact, the Company's International Business grew in double digit percentage terms, driven by various initiatives across geographies and the successful integration of the acquired German brand Creme 21.

Crema 21 success

The highlight of Emami's global success story during the year under review was its successful restructuring of distribution across key global markets and the effective integration of Crema 21 into the Company's global network. The brand integration was completed in record time and business was started on the day following the deal, facilitated by pre-planning. The Company introduced new products and re-launched products supported by strong trade marketing campaigns in key markets.

Emami 7 Oils in One

The use of hair oil as a habit existed for centuries within SAARC, GCC and ASEAN. Emami 7 Oils in One emerged as Emami's flagship brand for the international markets. In FY 2019-20, the brand grew by 42% through

range extensions and celebrity campaigns. The new extensions are expected to provide growth headroom owing to geographic expansion, ingredient-benefit expansions and hair care adjacencies.

Markets

Bangladesh: Bangladesh emerged as a promising market following the right product mix, timely media campaigns, local procurement, motivated team and effective implementation.

Russia: Russia is one of the major markets of Emami, with non-Indian diaspora. Emami realigned its business model and embarked on direct distribution through a locally formed subsidiary. On the overall, there was single-digit topline growth and significant improvement in market share. Emami launched a cosmeceutical skin care product in Russia's pharma sector under the sub-brand Perfect Derma.

Saudi Arabia: Emami partnered with like-minded distribution partners, which is likely to strengthen its performance.

Realigning strategies

Emami's OTC range (Zandu Balm, Fast Relief and Menthoplus Balm) enjoys an expansion opportunity; Emami plans to strengthen these brands in the international market. In 2019-20, these brands grew 14%.



Big numbers

414

₹ cr, Revenues in 2019-20

16

% share of international revenue in the Company's total revenues in 2019-20 (13% in 2018-19)

12

Major brands in the international portfolio

60+

Countries of presence

3

Number of Emami brands (Fair and Handsome, Navratna & BoroPlus) enjoying a numero uno position in its categories across markets

"THE SUCCESS OF EMAMI'S INTERNATIONAL BUSINESS LIES IN CREATING PRODUCTS SPECIFICALLY DEVELOPED TO CATER TO LOCAL CONSUMER NEEDS. THE NEXT STRATEGIC STEP WOULD BE TO ENTER NEW GEOGRAPHIES THROUGH A NICHE AYURVEDA-BASED PRODUCT PORTFOLIO."

PRASHANT GOENKA,
DIRECTOR



International





RELATIONSHIP CAPITAL # 3

Emami's Modern Trade Presence

Emami's focused modern trade approach has helped it in reporting the much desired growth.

"THE SUCCESS MANTRA IS JOINT BUSINESS PLANNING AND SUBSEQUENT INCREASE IN THE FILL-RATE, WHICH HELPED US STRENGTHEN VISIBILITY AND REVENUE IN THE MODERN TRADE FORMAT. WE HAVE ALREADY LAUNCHED MODERN TRADE-SPECIFIC SKUS AND GOING FORWARD, WE WILL FOCUS ON LAUNCHING PRODUCTS EXCLUSIVELY FOR THIS FORMAT"

MOHAN GOENKA, DIRECTOR

Over the years, Emami's increased focus on the modern trade business has helped it to emerge as a key business driver. By solving complex problems within this channel and implementing Modern Trade-specific business strategies, Emami has generated strong growth from this channel.

The channel faced two hurdles: first, Emami did not have significant modern trade penetration and second, Emami had to ensure parity between its general and modern trade business to avoid channel conflicts and cannibalisation. Over time, the Company re-defined its modern trade strategies to harmonise its relationship with the general trade channel. Over the last year, Emami invested in improved efficiencies in modern trade-heavy geographies and product-specific strategies.

Improving supply chain metrics

Emami improved its fill-rate, a key supply chain parameter that measures the percentage of order fulfillment for modern trade partners. A team was created to cater to the modern trade channel. The team plugged operational and logistical challenges to improve the overall modern trade fill-rate by more than 20%.

Joint business planning

Joint business planning strengthened the Company's relationship with each of its modern trade accounts across geographies. This approach helped Emami and partners achieve generate growth in the following ways:

- Symbiotic relationships with the modern trade helped Emami re-align plans in accordance with retailers.
- This led to joint activation of key brands and products across targeted stores in relevant geographies. Emami channelised efforts towards select clusters where returns were the highest.

Growing the e-way

The Company made significant investments to develop e-commerce capabilities across major marketplaces, grocery platforms and niche verticals (pharmaceuticals and beauty). The result: the e-commerce business grew at more than 100% CAGR in the three years ending 2019-20.

Initiatives

The Company embarked on a number of initiatives to continue driving this exponential growth and deepen consumer engagement for Emami brand portfolio

- This approach helped seek real-time feedback from the accounts' ground teams, leading to holistic improvement across business activities.
- The Company promoted 'challenger' brands across the modern trade channel with the help of partners.

Gross margin expansion-driven investment strategy

Emami took a conscious decision to create brands and products targeted at the modern trade channel. Larger packs were designed for certain brands to 'upsize' the modern trade shopper, provide better value and improve gross margins.

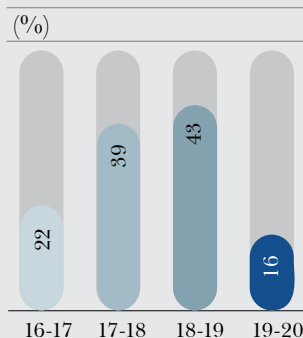
The promotion budgets were re-allocated towards the 'challenger' brands of Emami, where it was essential to be competitive and aggressive. Emami's field force in the modern trade channel was re-aligned as per the needs of each format/ account.

Winning in-store

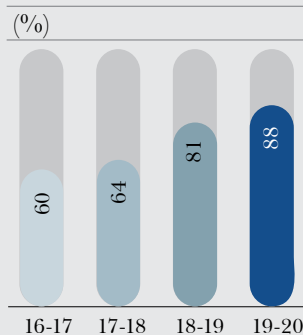
Emami's field force used shopper marketing principles and improved the on-shelf visibility of products. The Company designed a field force app, which enhanced real-time synergies between sales, trade marketing and account management teams. This app provided visibility in daily stock availability in stores, enabling data-led decision making to improve sales. Geo-tagged photographs from the app allowed Emami's sales managers to 'virtually' visit a number of stores, improving efficiency.

Road ahead

The focus will be specifically growing profitability in the business and not just drive top line. The Company will focus more on joint business planning and enhancing visibility to drive sales.



Growth of modern trade business y-o-y



Growing fill rate

The success mantra of Emami's modern trade business



This strategy has helped reduce the modern trade sales force by 21% and divert savings in business analytics capabilities.

RELATIONSHIP CAPITAL # 5

Har Nukkad pe Emami!

Every second more than 130 Emami products are sold across India, largely due to the reality that Emami is ‘Never more than an arm’s length away.’ The Company’s products are available across 4.5 million outlets in India - available whenever and wherever.



Big numbers

~3250

Distributors (incl. Super Stockists)

6500+

Sub Stockists

9.4

(Lac) outlets with Direct Reach

4.5

(Mn), outlets with Indirect Reach

Key highlights, FY 2019-20

▸ **Focus:** Emami’s sales strategy revolved around three focus areas – wholesaler and rural growth, people growth and accountability

▸ **Introductions:** Introduced a Privilege Club program for the rural channel; introduced a standalone modern trade program to improve the category business

▸ **Brand:** Improved the distribution network and modern trade outlet visibility

▸ **Technology:** Upgraded handheld devices to increase order throughput and service; implemented urban sales force automation, enhancing market insights and billing efficiency; graduated the Distributor Management System to a Cloud-based distributor system, enhancing transparency.

▸ **Programmes:** Introduced Feet-on-Street and Play-to-Win initiatives to enhance sales person productivity, measure productivity (face time spent, daily calls, productivity and time

spent in the market) and incentivise performance. Introduced a motivation and team building ‘Udaan’ programme for the sales team

▸ **Rural integration:** Integrated the Dhanush Project with the core sales team, strengthening rural distribution by 6% over the previous year; deployed rural vans across ~30,000 villages across Madhya Pradesh, Maharashtra, Uttar Pradesh and Madhya Pradesh.

Did you know?

Emami’s total sales force strength is at

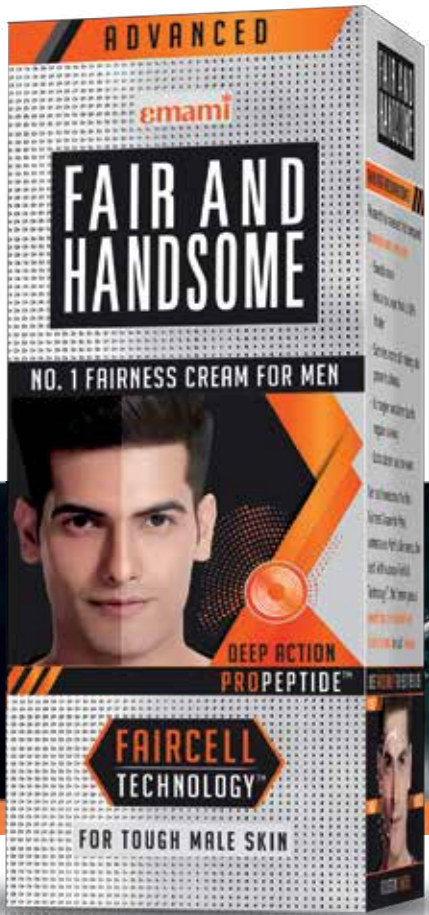
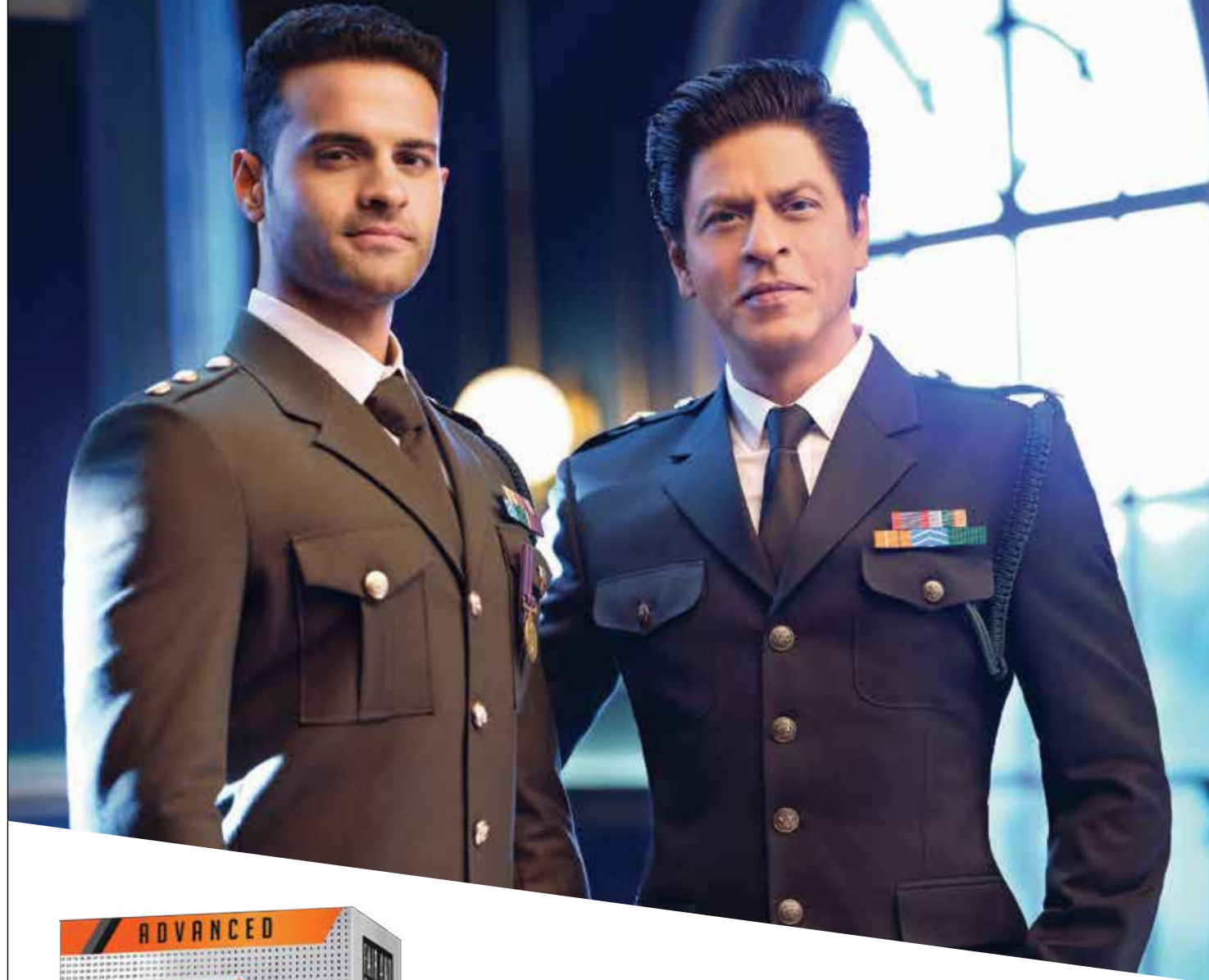
3400

Emami’s direct reach covers more than

20,000 villages

Strong presence





KEEP GROWING. LOOK HANDSOME.

As you grow up to be a man, your facial skin matures and becomes tough. Fair And Handsome is specially formulated for such tough skin. Its unique Faircell Technology™ works deeper* making you more handsome and ready for life's challenges.



FAIR AND HANDSOME

www.fairandhandsome.net

NO. 1 FAIRNESS CREAM FOR MEN

*Within Epidermis



INTEGRATED REPORT

Emami's Manufacturing Capital

Whenever Amisha buys an Emami product, she is assured of the quality and knows that it will not have any harsh impact on her skin. This is possible because of superior quality of raw materials, stringent process control and a robust quality check. The result: quality rejection rate has come down significantly in the past five years.

Overview

Emami's success has been derived through manufacturing integrity that provides consumers the confidence of high product quality, consistency and superior outcomes. The result is a confidence that 'If it is Emami, then it must be world-class.'

Over the years, Emami has invested in state-of-the-art manufacturing units that are WHO-GMP certified, validating the highest level of product quality. The Company comprises seven manufacturing units in India, backed by 26 warehouses and supply chain management, ensuring pan-India product availability. The Company has its own International unit in Bangladesh and an outsourced unit in Sri Lanka, servicing the local markets.

Key priorities

- ▶ Strategic WHO-GMP certified manufacturing units
- ▶ External contract manufacturing network
- ▶ Balancing human employment and automation
- ▶ Presence in tax-efficient locations
- ▶ Focus on scale, efficiency, quality, safety and environment-friendliness

Key initiatives, 2019-20

- ▶ Continuous improvement to sustain competitive manufacture
- ▶ Superior quality standards, compliance with GMP and regulatory requirements
- ▶ Investment in manufacturing capability, cutting-edge technology and scalable capacity

“OUR MANUFACTURING COMPETENCE LIES IN A HIGHER DEGREE OF AUTOMATION, QUICKLY SCALING PRODUCTS FROM THE PILOT STATE AND REDUCTION OF IN-PROCESS WASTE. AS A RESULT, WE HAVE BEEN ABLE TO MANUFACTURE QUALITY PRODUCTS IIN A WAY WHICH IS SUSTAINABLE AND COST EFFECTIVE”

SUSHIL K. GOENKA,
MANAGING DIRECTOR

Big numbers

8000+

Products manufactured per minute

130

bps reduction in cost of goods sold as a proportion of revenues in 2019-20

63%

Proportion of Emami’s operations that are automated

Local

More than 32% of Emami’s products are manufactured in its Pacharia plant in Assam. The Company localised 70% of its packaging procurement, saving transportation costs and accelerating delivery.

Efficiency and effectiveness

Emami is the only company to work out of WHO-GMP certified testing facilities; it emerged as the third ayurveda-based healthcare company in the country to receive the coveted WHO certification.

Operating governance

Emami implemented a scorecard system (SCOPE, S-service, C-cost, O-Outstanding quality, P-people, E-execution) for measuring the efficacy of operations. Each element of SCOPE comprises different KPIs, measurability for periodic targets and 33 KPIs under different SCOPE parameters covering virtually aspect of the Company’s operations.

Distinctive initiatives: A complement of these initiatives has helped the Company upgrade technologies to reduce costs and enhance environment integrity. The operations team collaborates with the R&D team in exploring alternative manufacturing process and raw material mix, among others. During the year under review, the Company commissioned environment-friendly briquette-fired boilers (using waste materials). Besides, Emami embarked on captive nitrogen production, saving material and logistic costs while moderating the carbon footprint. The Company invested in larger equipment, increasing batch cycles and moderating costs. Legacy boilers were replaced with IBR boilers that consumed less fuel and provided saturated steam, driving efficiency. The Company invested in state-of-the-art equipment

for healthcare product manufacture, which comprised technologies generally used by pharmaceutical companies. The Company imported automated European technology to enhance process speed, enhancing systemic efficiency.

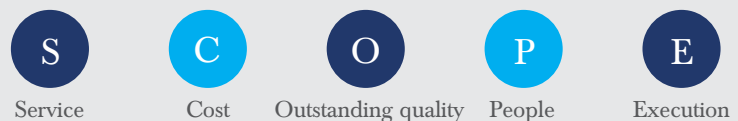
Contract manufacture: About 16% of Emami’s output was generated from contract manufacturing units, a relatively asset-light approach.

Enhanced automation: Emami invested in automation across plants, leveraging pneumatics to reduce manual interventions and enhance productivity.

Complaints management: The operations team analysed complaints coupled with corrective measures, which moderated quality-based rejections by 24% over FY19 and about 90% over FY17. Kaizen initiatives enhanced process quality, reducing defects per million units by 50%.

Procurement: In a business that annually procures raw and packaging materials worth nearly ₹750 crore, prudent budgeting makes it possible to counter commodity volatility through timely material sourcing from the right suppliers as well as stronger negotiations. The Company localised purchases; ~70% of packaging materials was sourced locally in FY20, reducing sourcing costs. The introduction of digitalisation facilitated access to real-time information on the vendor status and automatic generation of purchase orders, liberating the purchase team from a transactional focus to procurement excellence.

Emami’s operating governance parameters



Manufacturing edge



MANUFACTURING CAPITAL # 2

Packaging it right!

When Anjali buys Kesh King Scalp and Hair Ayurvedic Medicinal Oil, not only does it contain her favourite hair care properties, but the pack also explains the key ingredients and their benefits, a comb applicator and a reliable iconic bottle that has cared for her hair as long as she has been using it. Besides, the introduced applicator is something that she always had a latent need for.

Overview

Nourishment increases when oil is applied to the hair roots, spread on the scalp and gently massaged. To ease the application and provide a targeted delivery, Kesh King Scalp and Hair Medicinal Ayurvedic Oil has provided an applicator, whose prongs have been designed to spread the hair in a combing motion and dispense metered oil in the parted section. The oil can further be massaged onto the scalp with fingers for better spreadability.

The concept was derived from the age-old insight that Indian consumers apply hair oil in two ways - either parting the hair while dipping fingers in the oil and applying on the scalp or pouring the oil on the palms, rubbing the palms together to spread the oil and then applying to the hair. The insight parallels a Brazilian concept of fitagem, which is a ritual for parting the hair in sections and applying hair nourishment products.

Packaging vision

Emami has a vision of evolving as a best-in-class packaging team to drive sustainable and affordable innovation.

Key strategies

Driving innovation: Emami is respected as a pioneer in harnessing new technologies and the first to market a number of futuristic packaging technologies.

Execution with excellence: Emami focuses on time-bound execution and 'first time right' implementation with a robust risk assessment and management system.

Effective and productive work system: Emami's data and project management strategies are woven around process and guidelines. Emami is strengthening digitisation to future-proof the lifecycle of specifications and amalgamate it with established and evolving procurement.

Winning organisation: Emami's packaging team strengthens people management on the back of people-centric initiatives to create a great workplace.

Innovations: Emami strengthened its culture of innovation by engaging members to contribute towards packaging innovation. Each member of team is free to choose a 'passion project'. The packaging team organised a PACKINNOVA workshop to showcase projects covering techno commercial details and potential applications.

Multiple initiatives were launched to drive top line growth with a focus on premium packaging. The introduction of the unique PRI technology in label decoration enhanced aesthetics and countered counterfeiting.

The introduction of the oil applicator in Kesh King was appreciated by consumers; it received the Golden Peacock Award 2019 under the Innovative Product/ Services category.

The packaging of HE Magic Duo, Emami 7 Oils in One and Fair and Handsome 8 gm packs received SIES SOP Award 2019 under the Product Packaging Innovation/ Creativity/Development Categories. The Emami 7 Oils in One pack received the President's Special Award due

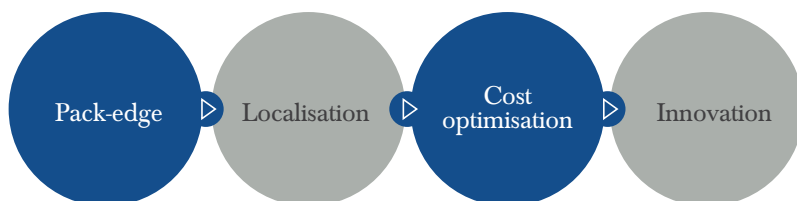
to its holistic impact through special 3-D and decoration (leveraging the bottle transparency and the label to showcase the list of ingredients printed on the back panel to be seen through the product as a magnified refraction from the front panel).

The introduction of a new design pack of Navratna Talc with a futuristic dispensing and alluring 3D graphics, bigger SKU of the Zandu balm were key initiatives in 2019-20.

Sustainability

Emami worked with pioneer plastic recycling organisations to reinforce Extended Producer Responsibility as per the new guidelines issued by the Government on plastic waste management. The Company complied with guidelines comprising the use of >50 micron for single-layer plastic.

Packaging material optimisation without affecting product quality and consumer experience is ongoing. Design-to-Value is key platform through which every effort of cost innovation through specification optimisation or localisation is enhancing the bottom line. To support localisation effort Emami achieved >60% for rigid and >80% of flexible localisation, reducing the Company's carbon footprint.



Emami's packaging innovations, 2019-20

- ▶ Introduced an oil applicator for Kesh King Scalp and Hair Medicinal Oil. Introduced specialised embossing to prevent the counterfeiting.
- ▶ Launched HE Magic Duo dual pack (two in one package); PRI technology was used as a label.
- ▶ Launched a new design pack of Navratna Talc with 3D graphics
- ▶ Launched a new pack for Emami 7 Oils in One (ingredients listed with photographs on the front pack)
- ▶ Launched Zandu Ayurvedic Cough Syrup in a Sachet
- ▶ Introduced a bi-injection mould for the cap and bottom of Zandu Balm

Emami's key packaging innovations in FY20



MANUFACTURING CAPITAL # 3

Emami's supply chain management

India is a vast country with 28 states, ~ 500 cities, ~ 8000 towns and ~ 6.5 lac villages. It takes accurate planning to make products in desired SKUs available across the country all the time. Emami's dedicated supply chain makes this possible. The ability to service a consumer seeking a ₹1 sachet of Navratna in a south Indian hamlet or a consumer seeking to buy BoroPlus in a hill top Sikkim village enhances Emami's effectiveness.



Overview

In a business where ₹750 cr worth of raw and packaging materials are sourced from across India with multiple supply points on the one hand and a need to service seven pan-India manufacturing facilities with these materials for timely production on the other, there is a premium on competent supply chain management.

At Emami, the complexity of the supply chain is compounded by the fact that the Company manufactures over 300 products and needs to make products available in every corner of the country at lowest delivered cost. Emami's supply chain planning and logistics department engages closely with relevant functions to enhance stock availability on the one hand and reduce logistic costs on the other.

Planning

The planning function of Emami's logistics management focuses on sales loss minimisation. During the year under review, Emami engaged Ernst & Young (EY), embarking on Project Shakti to strengthen demand forecasting and minimise finished goods inventory. The Company achieved supply chain improvements higher than the target, moderating inventory.

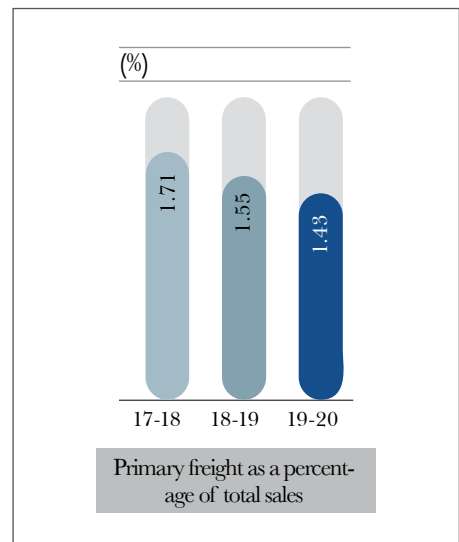
Logistical efficiency

In a business where products need to be delivered on demand across the country, Emami moderated primary transport expenditure as a percentage of sales to 1.43%

in 2019-20, well below the sectorial efficiency benchmark. The Company opted towards the use of multi-axle 32 ft trucks, making it possible to load 20% more boxes in a consignment with only a negligible increase in freight cost. A replenishment model in the supply of products to warehouses reduced around 20% of unwanted movement. Network optimisation removed 75% undesired movement. The ongoing cost saving, Project WOW expects to reduce freight charges through competitive bidding.

Sustainability

A moderation in the number of trucks and unwanted vehicular movement helped the Company reduce carbon footprint.



Generating value amidst challenges



NATURAL CAPITAL

Emami's Natural Capital

A media visitor at Emami's plant was surprised that the plant was even in operation. There was none of the usual sound associated with manufacturing operations. No odour. No emissions either. All due to Emami's superior environment management.



Overview

Over the past few years, FMCG players have been recognising the importance of responsible environmental practices in a world where regulations have become progressively stringent. Emami is a responsible corporate citizen committed to the responsible use of natural resources. The Company's environment management initiatives affirm its commitment to manage conserve and protect the world.

Responsible commitment

Emami's values address fundamental responsibilities of human rights, labor, environment and anti-corruption. By incorporating Ten Principles of the UN Global Compact into its strategies, policies and procedures, Emami upholds its responsibility to people, planet and long-term success.

Emami's environment focus

Approach

As a responsible corporate citizen, Emami is committed to promote the efficient use of resources like energy, water, packaging and production materials with due regard to the scarcity of natural resources and the environmental impact resulting from the utilisation and application of such resource.

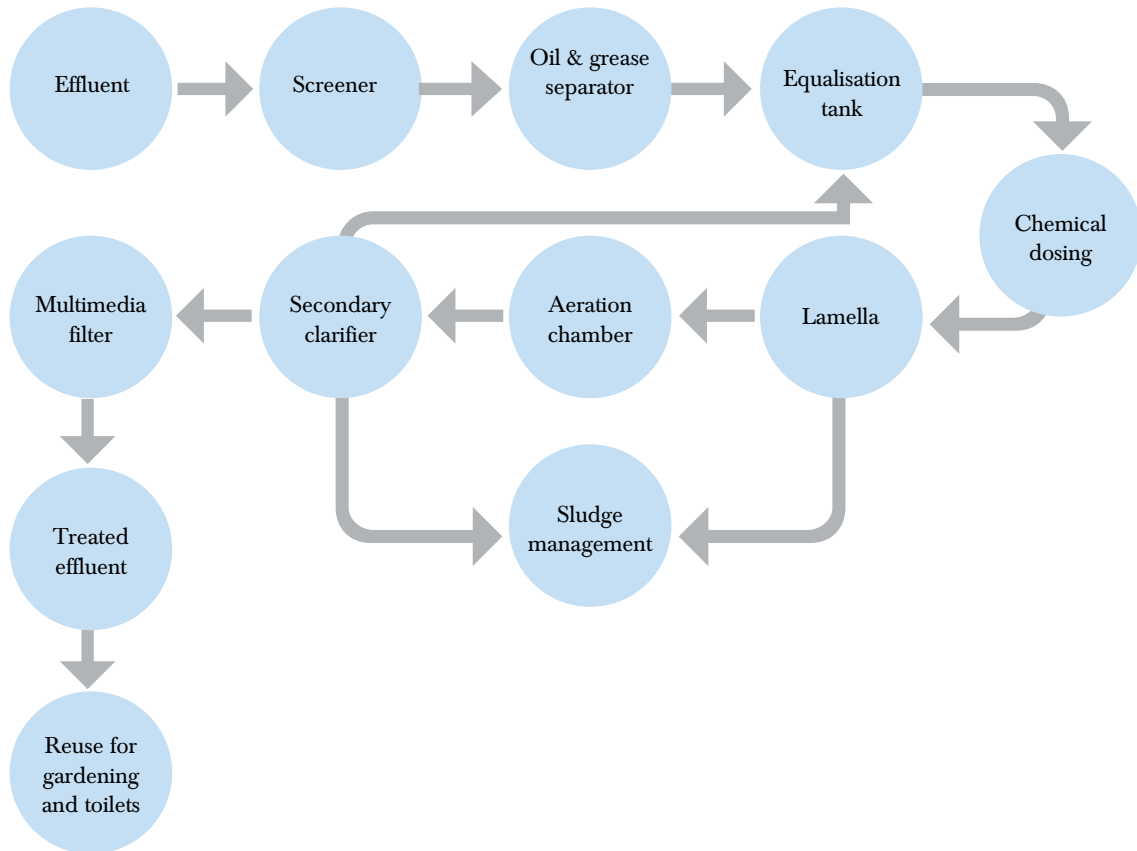
The Company follows strict environment management guidelines as the manufacturing units are WHO-GMP certified. Besides, the Company has taken a conscious decision to make all its units zero liquid discharge units.

Key priorities

- ▶ Responsible management of natural resources
- ▶ Responsible utilisation of water and focus on reducing water consumption and water pollution
- ▶ Improved management of emissions, in turn, improving air quality index and reducing air pollution
- ▶ Improved management of land, reducing land pollution
- ▶ Ensuring prudent utilisation of minerals and herbs, ensuring sustainability at all levels
- ▶ Enriching the biodiversity
- ▶ Growing access to renewable energy sources (solar, wind and biomass)

Integrated process

Installed effluent treatment plant to make units zero discharge



Initiatives

- ▶ Installed dedicated 33 kV lines in two manufacturing units producing ~60% of the goods; installed high speed packing machines resulting in lower power consumption per ton.
- ▶ Installed small boilers with regular boilers to address peak load and optimise fossil fuel consumption.
- ▶ Installed a dedicated air handling of HVAC system for separate areas to optimise power consumption and upgrade to energy-efficient lights.
- ▶ Created an Energy Optimisation Cell to complete phased energy mapping and develop an energy reduction plan.
- ▶ Utilised energy from renewable sources
- ▶ Replaced HSD fuel boiler with briquette fuel boiler and steam condensate recovery system, reducing fuel and steam consumption.
- ▶ Implemented a condensate recovery system, reducing RO water consumption.

- ▶ Reduced the use of packing materials by adopting the paper tray technology, foil modification, PVC film modification, container modification and GSM reduction in laminates and card boards.

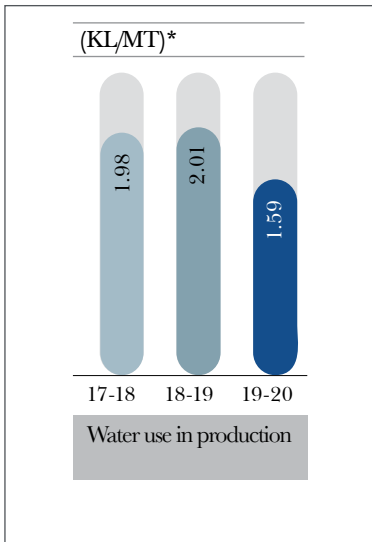
Key initiatives, 2019-20

- ▶ Focused: Increasing importance given to site management, formal conservation projects and renewable energy initiatives
- ▶ Compliant: Compliance with stringent environment management norms for suppliers and third party manufacturers
- ▶ Monitoring: Continuous emissions monitoring across manufacturing units
- ▶ Water management: Responsible water management, monitoring and controlling effluent discharges
- ▶ Waste management: Implementation of waste management projects and improved monitoring processes to manage hazardous and non-hazardous wastes

- ▶ Packaging: Increasing focus on the reduction of packaging material consumption
- ▶ Carbon footprint: Ongoing commitment to moderate carbon footprint and fossil fuel consumption

Emami and waste management priorities

- ▶ Reduction in land pollution
- ▶ Reduction in water and air pollution
- ▶ Reduction in use of non-biodegradable single-use plastic, which pollutes the land
- ▶ Reusing waste products and byproducts in the system to reduce disposal, emissions and discharge
- ▶ Reusing ETP treated water in gardening and toilets, making our factories zero discharge units.



Proportion of waste recycled (in %)

69.6 2019-20

Emami and water management priorities

- Operating in a water-intensive sector, the prime focus is on water management
- Compliance with stringent water management norms
- Reduce water consumption
- Reduce effluent discharge
- Improve effluent treatment and sewage treatment processes
- Invest in a zero discharge facility
- Modified the manufacturing process of Kesh King, reducing water consumption by 25%; process time reduction reduced energy consumption

Emami and emission management priorities

- Monitor air emissions quality
- Reduce plant emissions
- Compliance with stringent norms

Key initiatives, 2019-20

- Invested adequately in emission control.
- Monitored air quality in and around the plant in real-time with systemic alerts.
- Possessed a blemishless record in air emission norm compliance.
- Installed briquette-fired boilers, an environment-friendly option (briquettes made from saw dust and other waste)

- Focused on captive nitrogen production, reducing transportation costs
- Reduced unwanted truck movement, moderating fossil fuel consumption
- Maximised local raw material procurement, saving transportation

Emami and effluent management priorities

- Minimal water consumption
- Reduction in effluent water disposal
- Increasing proportion of secondary usage of treated effluent in the process
- The Company invested in effluent and sewage treatment processes.

Emami and energy conservation priorities

- Efficient steam production
- Efficient use of mechanical/electrical energy
- Efficient use of steam

Key initiatives, 2019-20

- The Company also undertook

various energy efficiency initiatives, which resulted in enhanced power efficiency, lower steam consumption and lower power consumption.

- The Company installed energy-efficient motors, moderating energy consumption.
- The Company also installed LED lights across manufacturing units to

save electricity consumption.

- Emami went ahead and installed solar power plants in two of its manufacturing units (commissioning one more plant at the Pacharia unit) in order to reduce electricity sourcing from the grid, in turn, reducing outsourcing of power and reduction of costs.

Protective



BRAND REVIEW – HEALTHCARE

Emami and the ancient wisdom of ayurveda

Ayurveda is as old as India itself. Its wisdom is as intrinsically Indian as yoga, Vedic scriptures, hymns and the Indian way of life

The fundamental goodness of ayurveda

- Respected as a cure for chronic, metabolic, and stress-related conditions
- Used to alleviate side-effects of toxic allopathic therapies
- Focuses on disease prevention, longevity and illness treatment
- Distinguishes healthcare in three distinct areas of ahar, vihar and Aushadhi (ahar: food, vihar: lifestyle and ayushudi: products consumed)

Emami and ayurveda

- Entered the segment in 2008 with the acquisition of Zandu
- Extended the goodness of ayurveda in scientifically-proven products
- Comprehended unmet consumer needs; created products complementary to conventional medicines
- Provided aid from lifestyle-related problems without side-effects
- Extended to research-driven products addressing specific needs of consumers (personal care and healthcare)
- Collaborated with EY and Boston Consulting Group for a better understanding of opportunities
- Conducted clinical studies for products; published findings on digital platforms

Emami invested in R&D infrastructure

- Developed products leveraging quality scientific tools and equipment
- In-house R&D centre approved as a drug-testing laboratory for ayurvedic, siddha, unani and homeopathic products by Ministry of AYUSH and NABL-accredited R&D laboratory (by Department of Science and Technology).
- Bio-resources department oversees sourcing of quality ayurvedic raw materials

Emami’s ayurveda collaborations

- Emami signed a contract with Indian Council of Medical Research to develop a pre-diabetic medicine
- Emami collaborated with Council of Scientific & Industrial Research to oversee product development of a diabetic drug by the Department of Biotechnology (under the aegis of Ministry of Science and Technology).
- Emami partnered Dr. Ram Viswakarma of Indian Institute of Integrated Medicine to study asava, arishta and self-fermentation.

Strengthening Emami’s ayurveda business

- Emami was India’s first to create a back-end panel of ayurveda doctors for addressing customers’ needs.

- Launched 250 Zandu Ayurveda Centres, connecting digitally with consumers
- Introduced AI-based predictive selling skills for channel partners

Emami extended its product line, 2019-20

- Emami introduced a cough and cold syrup (₹3000 crore category) in sachets of ₹5
- Emami introduced curated products (Zandu SwasthyaVeda Revitalizer for geriatrics)
- Emami launched a new brand StriVeda under which a lactation supplement was introduced
- Emami changed the Zandu Pancharishta proposition; it changed the packaging from glass to PET bottles

How Emami intends to strengthen its Ayurveda business

- Introduce products around the need gap of consumers
- Strengthen existing brands to drive revenues
- Extend the Zandu portfolio into international markets
- Invest in new formulations and formats
- Launch 500 Zandu Ayurvedic Centres across India



Why Emami's ayurveda business is at the right time and place

- ▶ Paradigm shift; focus on staying fit
- ▶ Focus on looking and feeling good
- ▶ Focus on eating, working and living healthy
- ▶ Increased wellness; increased use of innovative drugs, supplements and fitness apps

30,000

₹cr, India's ayurveda products market size in 2018

(Source: CII and PwC)

16

% projected growth in India's Ayurveda market, 2019 to 2025

(Source: Economic Times)

65

Number of Ayurveda hospitals in India developed by Ministry of AYUSH



The Ayurveda way



"TODAY, HEALTH AND HYGIENE ARE OF PRIMARY CONCERN FOR OUR CONSUMERS. OUR HERITAGE BRAND, ZANDU, WHICH IS SYNONYMOUS WITH QUALITY HEALTHCARE AND EFFECTIVE PRODUCTS BASED ON AYURVEDA, IS WELL POISED TO CATER TO CONSUMER NEEDS ACROSS AGES. THE IMMUNITY BOOSTING PRODUCTS UNDER THE ZANDU HEALTHCARE PORTFOLIO HAVE BEEN PERFORMING EXCEEDINGLY WELL TO ADD MOMENTUM TO EMAMI'S HEALTHCARE BUSINESS. NEW PACKAGING, NEW PRODUCT FORMULATION, NEW MARKETING INITIATIVES AND A NEW COMMUNICATION THROUGH TRADITIONAL AND DIGITAL MEDIA, FOCUS ON E-COMMERCE, BY NOT ONLY TYING UP WITH MOST SUCH CHANNELS BUT ALSO DEVELOPING PRODUCTS SPECIFIC TO THESE PLATFORMS, ARE SOME OF THE STEPS THAT WE HAVE TAKEN TO MAKE EMAMI AND ZANDU AN INTEGRAL PART OF OUR CONSUMERS' DAILY LIVES. WE DO BELIEVE THAT THE EMAMI AND ZANDU HEALTHCARE BUSINESS HAVE A GREAT FUTURE AHEAD."

HARSHA V AGARWAL, DIRECTOR

BRAND REVIEW – FAIR AND HANDSOME

All is radiant!

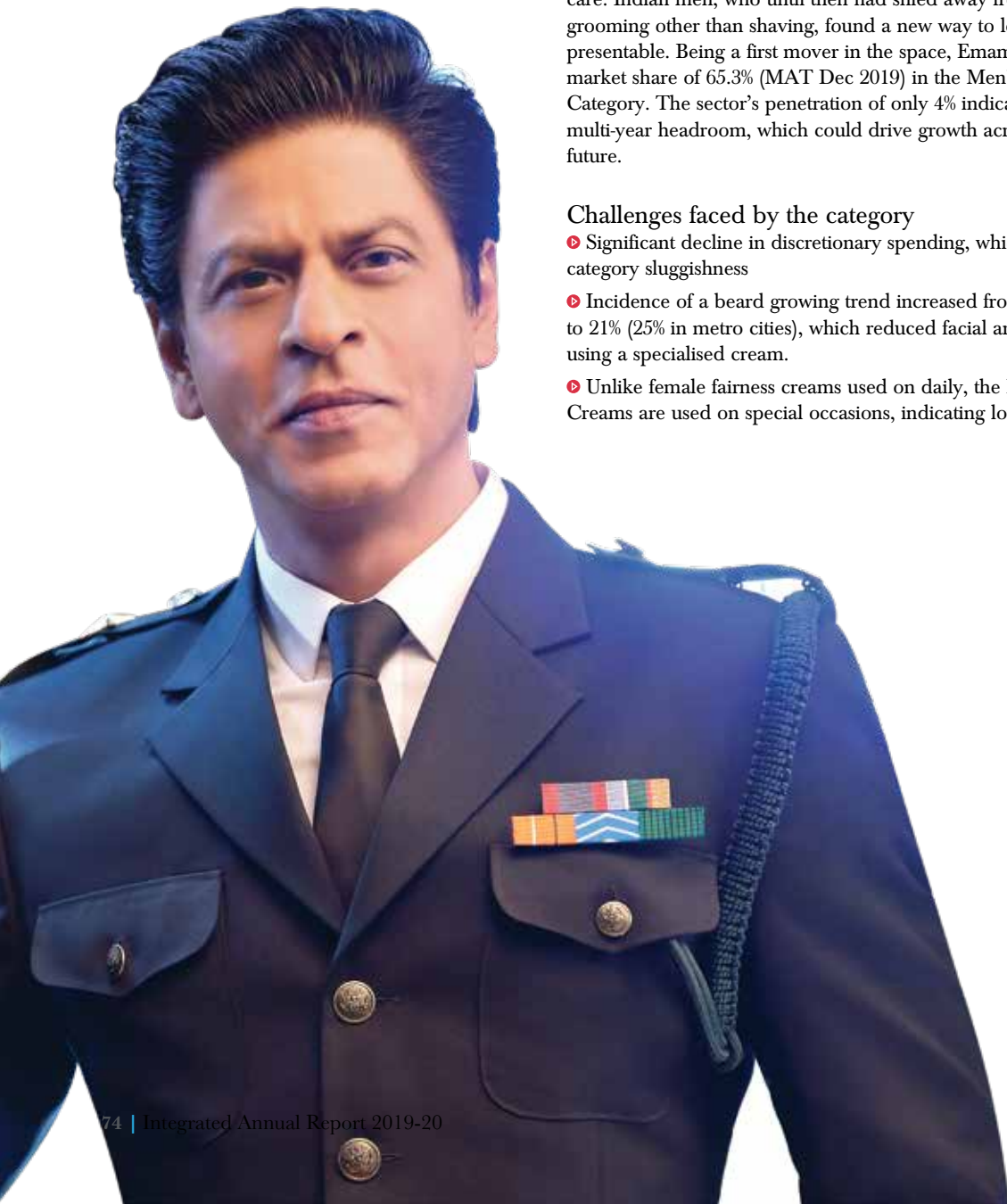
Unwanted spots on skin. Deep tan from sunlight exposure. Rough skin from shaving. Low skin radiance. Like a number of men, Sudhansu was disappointed with these problems, so all he did was dip into his sister's creams, *ladkiyon wala* cream not meant to suit His rough skin. Until Fair and Handsome arrived.

Overview

Fair and Handsome was launched in 2005 with the objective to not merely launch a product but create a new category in India's personal care. Indian men, who until then had shied away from personal grooming other than shaving, found a new way to look trendy and presentable. Being a first mover in the space, Emami carved out a market share of 65.3% (MAT Dec 2019) in the Men's Fairness Cream Category. The sector's penetration of only 4% indicates considerable multi-year headroom, which could drive growth across the foreseeable future.

Challenges faced by the category

- Significant decline in discretionary spending, which adds to the category sluggishness
- Incidence of a beard growing trend increased from an average of 2% to 21% (25% in metro cities), which reduced facial area and the need of using a specialised cream.
- Unlike female fairness creams used on daily, the Men's Fairness Creams are used on special occasions, indicating lower consumption.



Big numbers

~400

₹cr, Market size of male fairness creams

65.3

% of market share of Fair and Handsome cream (by volume)

4

% category penetration level



EMAMI'S MEASURES TO GROW THE BUSINESS

▶ The brand completed 15 years of leadership which led to a celebration with a sweepstake coupled with 360 degree promotion.

▶ To overcome challenges, the Company engaged a world-renowned

consultant whose recommendation of price calibration was implemented with 360 degree consumer communication in the Face Cream and Face Wash.

▶ The Company is re-looking brand positioning, product formulation

packaging and brand ambassador in 2020-21.

▶ Large packs of Face Cream and Face Wash were identified as areas of improvement in general trade, modern trade and e-commerce.

Campaigns

▶ Launched a television commercial to celebrate 15 years of brand existence.

▶ A campaign comprising Shahrukh

Khan (Badhte Raho, Handsome Raho) as protagonist asked males not to use a female cream but a male cream instead

▶ A digital campaign activation on Facewash, highlighted key functional

benefits.

▶ Launched a TV and digital campaign to communicate the price reduction of Face Cream ('Ab ₹15 bachege bro')

How we reinvented our Fair and Handsome

Moderated the sticker price

▶ Relunched the product with a new pack

▶ Repositioned the brand

▶ Introduced a new brand ambassador

▶ TO OVERCOME CHALLENGES, THE COMPANY ENGAGED A WORLD-RENOVED CONSULTANT WHOSE RECOMMENDATION OF PRICE CALIBRATION WAS IMPLEMENTED WITH 360 DEGREE CONSUMER COMMUNICATION IN THE FACE CREAM AND FACE WASH.



BRAND REVIEW - PAIN MANAGEMENT

'Dard se raahat? Try Emami!'



Sucharita had a splitting headache. Rajeswari had a pain in her back after strenuous yoga. Jacob just didn't feel good after a long day at work. Each turned to an old and trusted ally.

Emami.

Zandu is addressing the complete pain portfolio (head to toe) to establish itself as a pain management expert, market leader and grow



Overview

Emami is one of the most trusted go-to brands in India’s pain management category. Emami’s pain management portfolio comprises three brands (Zandu Balm, Mentho Plus and Fast Relief).

Our fast-paced lifestyles have increased stress, translating into body and head aches, making Emami increasingly integral to modern existence.

Zandu Balm

- Ayurvedic expertise over 100 years; positioned as 100% ayurvedic
- Positioned around ‘Ek balm, teen kaam’, addressing headache, back ache and cold.
- Among the largest pain management brands; available in 5 crore+ Indian households
- Present in more than 13 lakh retail outlets

Getting to the next level

Zandu is addressing the complete pain portfolio to establish itself as a pain management expert from head to toe (from its earlier positioning of head to

chin) & market leader in this space.

Fast Relief: Fast Relief, present in the ointment category, aims to position itself as a body pain management solution provider with a new formulation and new products in its portfolio.

Mentho Plus: Emami Mentho Plus balm is a sharply positioned brand unlike Zandu Balm, which addresses three areas; the product addresses headaches with a bias towards price sensitivity and smaller SKUs.

Digital intervention

The Company strengthened its social media positioning (Facebook, Twitter and Instagram) and will launch a campaign to promote Zandu Quick Relief Roll On, a quick headache solution to be used on the move, enhancing convenience.

Sustainability

The brand expects to capitalise on the preference for natural products; the packaging is made of recycled paper complemented by a ‘recycle’ logo in the artwork and packaging laminate thickness of more than 50 microns.

Big numbers

1,262
₹ cr, Balms market size

1
Market position of Zandu Balm (by value and volume)

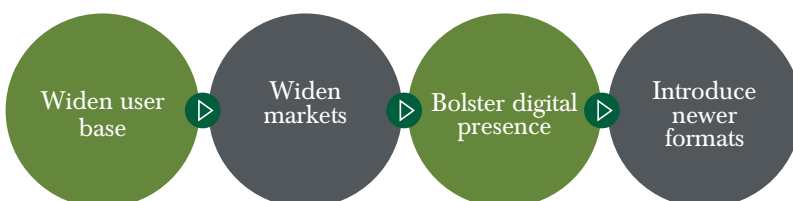
2
Market position of Mentho Plus (by volume)

54.9
% Emami balm market share (by volume)

130
bps, growth in balms market share

37
%, category penetration levels

Relieving pain



BRAND REVIEW – NAVRATNA

The magic of Navratna

In a number of homes, ‘luxury’ means settling into a couch in the evening, watching television and getting someone to rub Navratna Oil into the hair. That gentle burn on the scalp, the soft easing into a state of relaxed unwind and the promise of sound sleep... among the few luxuries left to human kind.

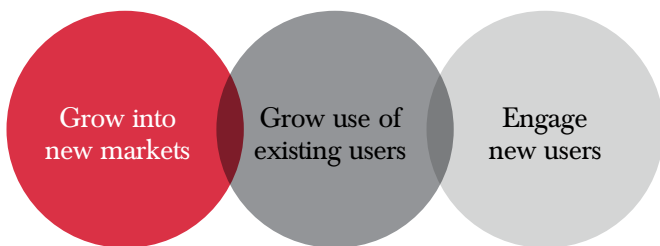
Overview

Navratna Oil is a problem-solving brand addressing hair care, head ache, body ache, stress and sleeplessness. The result is in the numbers: Navratna reinforced its position in the cool oil category with a market share of 66.4%. Though, the hair oil category enjoys high segment penetration (98%-plus) therapeutic oils have a category penetration of only 15%, indicating a strong potential for Navratna Oil.

Navratna also introduced a successful brand extension - Navratna Cool Talc in 2007. Enriched with the goodness of menthol, the icy cool formula of Navratna Cool Talc gives instant cooling relief which has made it a big hit among the consumers.



▶ Three-pronged strategy to grow Navratna Oil



Navratna’s New Campaign Highlights

- ▶ Engaged Salman Khan as Raahat Raja, the popular icon of Navratna
- ▶ Expected to extend the product messaging to the masses
- ▶ Commercial directed by Nitesh Tiwari (Dangal and Chhichhore fame)

Big numbers

15

% category penetration

1987

Year of launch

18

Number of years of market leadership

66.4

% Navratna market share

10

bps, Growth in Navratna market share



The robust foundation of Navratna Oil

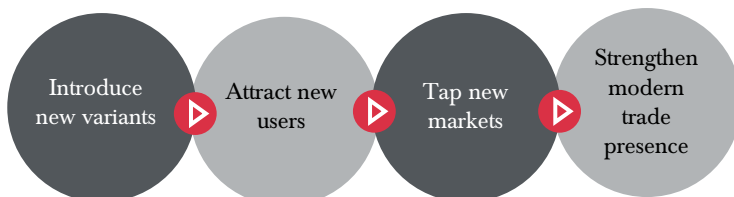
- ▶ Positioned as the market leader with 66.4% share
- ▶ Benefit of 9 herbs providing relief against stress, headache, and sleeplessness
- ▶ Available in more than 4.5 mn retail and 30 mn households
- ▶ Market leader for 18 years
- ▶ Available in 7 SKUs (500 ml being the largest and the smallest 2.7 ml for ₹1)

How Emami strengthened the Navratna brand

- ▶ Launched 'Thanda' and 'Extra Thanda' brand extensions
- ▶ Core promise of cooling, relief, ayurveda and therapeutic properties
- ▶ Launched a winter variant (Ayurvedic Garam Oil) to address consumer needs. The product is ideal for winter to address headache, body ache among others
- ▶ Deepened presence in the Indo-Gangetic spread (Uttar Pradesh, Bihar, Chhattisgarh and Jharkhand among others) and new markets
- ▶ Initiated a salon programme to reach new customers
- ▶ Established Lost and Found Centers at fairs (*Khoya Paya* Campaign in *Kumbh Mela*)
- ▶ Relaunched Navratna Cool Talc and Maxx Cool with modern packaging and new communication.



Maintaining market leadership



BRAND REVIEW – KESH KING

Emami's Hair and Scalp care...the ayurveda way

Rajesh Agarwal began to worry. He was losing hair. What had him worried was that this was not hereditary. He consulted a doctor who identified the villains at work: air pollution, stress, poor water quality...and increasing chemical use in hair care. The doctor said: 'You don't need a prescription. But what you do need is something that protects your hair health. A number of my patients have good words to say about Kesh King. Try it!'

Overview

- Emami's Kesh King Scalp and Hair Medicine addresses hair health and regrowth
- Leader in the Ayurvedic Medicinal Oil space
- The brand enjoyed a market share of 26.6% in 2019-20.

Emami focused on returning to growth

- Launched smaller SKUs and sachets at affordable price points for Kesh King Medicinal Shampoo. It delivered stupendous and sustainable growth for two consecutive years post relaunch

- Marketed the product successfully for the first time in South India
- Launched variants through e-commerce and modern trade
- Initiated a 'money back' campaign to enhance consumer confidence
- Entered the salon channel to build advocacy through salon hair experts.
- Proposed extensions of Kesh King Medicinal Oil and Shampoo

How we intend to take our brand ahead

- Focusing on covering regular hair oil users and growing the shampoo business 1.5x
- Building Kesh King Medicinal Shampoo awareness through a nationwide campaign
- Growing aggressively through modern trade and ecommerce platforms
- Building a national media campaign for Kesh King Medicinal Shampoo
- Emphasising the high impact 'money back' proposition



“WHILE THE PAST TWO YEARS WERE CHALLENGING FOR KESH KING, OUR INTERVENTIONS IN TERMS OF NEW BRAND COMMUNICATION, NEW PACKAGING AND PRODUCT FORMULATION HELPED THE BRAND RETURN TO GROWTH. OUR FOCUS IS TO GROW THE BRAND FURTHER ACROSS TRADITIONAL, MODERN TRADE AND E-COMMERCE PLATFORMS LEADING TO A WIDER REACH.”

PRITI A SUREKA,
DIRECTOR

Big numbers

9
% Category penetration

26.6
% Kesh King's market share, 2019-20

140
bps, Growth in Kesh King market share



Care for hair

Reworked formulation



New packaging



Brand extension



Addressing new markets



Enhancing digital footprint

BRAND REVIEW – BOROPLUS

India ka protector

Nitin, a venture capitalist from Mumbai, burnt his hands while baking an experimental cake for his wife’s birthday. Najma, a nutritionist from Kanpur, needed a solution for her cracked heels. Ritika, a college student from Kolkata, sought a solution for her chapped skin. Brandon, chef from Mizoram, looked for a solution for dry skin problems. Each one turned to a trusted brand. BoroPlus.

Overview

‘Ek BoroPlus dena’. This is the standard line when one is seeking a multipurpose remedy for dry skin disease, cuts, scratches, minor burns, wounds, cold sores and chapped skin for rural and urban consumers alike.

What is the secret behind the success of a 38 years old brand? What makes the product survive and succeed across market cycles? What has helped keep the product successful?

The answer: a unique blend of herbal actives and natural oil extracts in advanced formulations.

The result: providing the skin with perfect cure.

Background

- Market leader in the emollient category
- Provides a unique blend of ayurveda with Boro-based cream
- Available in more than 60 mn households
- Provides multipurpose relief for various skin problems

Performance in 2019-20

- A mixed season for the brand on account of a delayed winter impacting offtake

- The brand gained market share and maintained leadership in key markets (especially West Bengal) while deepening its presence in Chhattisgarh

- Initiated focused communication to drive market share in an otherwise struggling emollient category

- To reinforce its ayurveda focus, the Company revamped its packaging with a mention of 10 ayurvedic herbs and 24-hour moisturisation promise

- Launched a low unit pack of ₹10 that generated positive traction



▶ COMMUNICATE. COMMUNICATE. COMMUNICATE

WHAT WOULD A NATIONAL BRAND LEADER DO IN A STATE WHERE IT NEEDED TO INCREASE IT’S SHARE?

THE ANSWER: CREATE TARGETED COMMUNICATION AND FLOOD THE MARKET WITH ITS PRODUCTS.

EMAMI SHOWCASED THIS IN WEST BENGAL. CREATED A LOCALISED TELEVISION COMMERCIAL BACKED BY PRINT ADVERTISEMENTS. THESE HIGHLIGHTED THE CORE STRENGTHS OF THE BRAND.

THE RESULT: INCREASE IN PENETRATION OF BOROPLUS ANTISEPTIC CREAM BY 1%



Making brand extensions

- Successful BoroPlus Lotion extension; widen the user base
- e-commerce and modern trade-specific SKU of 400 ml launched and well received
- BoroPlus Prickly Heat Powder accounts for a large market share of the prickly heat powder category

How Emami intends to grow the BoroPlus brand

- Enhance the user base through increased market share in non-core markets
- Extend the brand into other products and variants (non-sticky) to attract young consumers.
- Position as a brand 'owning' the moisturisation space
- Leverage the popular pull of brand ambassadors like Amitabh Bachchan and Kangana Ranaut

BoroPlus' Growth Plans



Key numbers

24
% Category penetration

74.1
% BoroPlus market share

30
bps, growth of BoroPlus market share in 2019-20

COMMUNITY CAPITAL

Emami's Community Capital

Perna lived in a South Kolkata slum. She dropped out of school in the eighth standard. She learnt tailoring at Emami's skill development centre. She started a store that now provides factory uniforms for industrial use. One of many success stories inspired by Emami's CSR commitment.

Overview

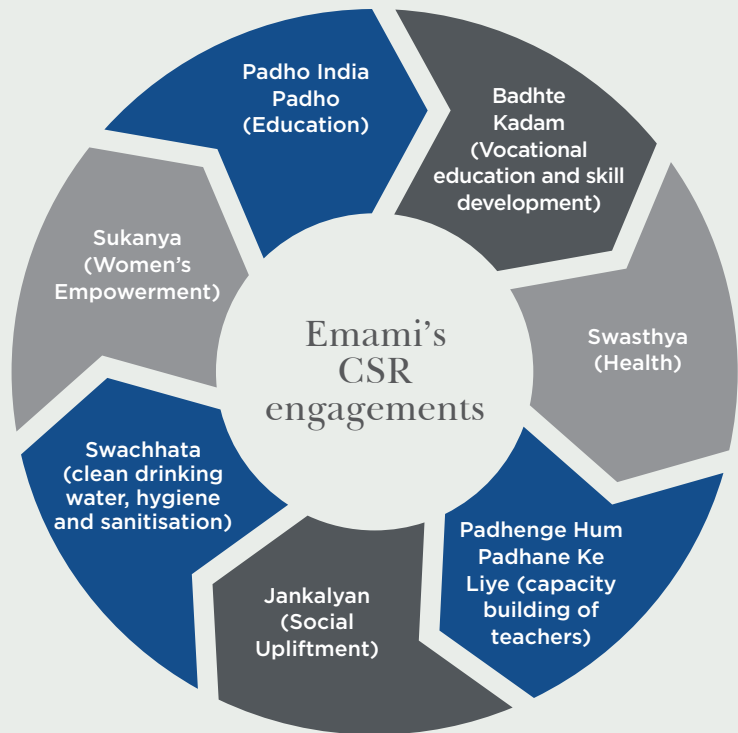
At Emami, we believe that responsible citizenship is about extending corporate prosperity to community welfare.

Over the last few decades, Emami has been engaged in making a difference to lives at the bottom of India's economic pyramid.

Emami CSR's community-based approach has been built around 'Learning from the Community', 'Planning with the Community' and 'Working for the Community', resulting in a positive difference across thousands of lives.



Srimad Jagadguru Shankaracharya Sri Raghaveshwara Bharati Swamiji



R.K. Goenka, Patron-CSR

PADHO INDIA PADHO



An emami CSR initiative

“THIS INITIATIVE PROMOTES HOLISTIC EDUCATION FOR THE CHILDREN FROM SOCIALLY AND ECONOMICALLY DISADVANTAGED SECTIONS OF THE SOCIETY”



Overview

Based on the critical importance of education in socio-economic development, the Company's holistic model provides learning facilities for the benefit of ~87,000 students from 47 schools (Kolkata, Kamarhati and Haripal in West Bengal and schools in Rajasthan, Karnataka and Kerala). Deserving needy students are provided scholarships and study grants irrespective of their socio-economic backgrounds.

Positive outcomes

The Company provided infrastructure support to schools in Haripal and Kolkata (West Bengal) and Pushkar and Fatehpur (Rajasthan) comprising 140 sets of classroom furniture and 16 renovated toilets.

Scholarships: Provided merit-based scholarships and financial aid to 1200+ under-privileged and needy students in West Bengal.

School support: Supported 75

'One Teacher Schools' (Ekal Vidyalaya), addressing 2055 students.

Material: Provided textbooks, teaching aids and facilitation of meritorious Madhyamik and Higher Secondary pass-outs to 1120 students from 28 schools of Haripal and Kolkata.

Training: Provided training support for 3000+ beneficiaries in 100 Gyanodaya Schools; conducted a digital literacy program at Hosanagara and other Karnataka and Kerala districts.

After-school coaching: Provided after school coaching support program through three study centres in Emami CSR centres and in two government schools addressing >400 students (Kolkata and Haripal).

Big numbers

90,000+

Students benefitted

BADHTE KADAM



An emami CSR initiative

“IT PROMOTES EMPLOYMENT GENERATION AND LIVELIHOOD CREATION THROUGH SKILL DEVELOPMENT.”

Overview

Under this initiative, guidance is provided to tomorrow's workforce in choosing the right modern vocational programmes, enhancing their employability and livelihood options.

Emami commissioned 10 Skill Development Centres offering training in stitching, tailoring, beauty, wellness, IT applications, spoken English, grooming and personality development, among others.

Positive outcomes

Emami supported the training of more than 10,000 beneficiaries, 1,200+ micro-enterprises and start-ups in Hosanagara and other Karnataka and Kerala districts.

Imparted skills to 600+ underprivileged youths in Kolkata in various trades through five Emami CSR centres.

Big numbers

10,000+

Students skilled



SWASTHYA



“SWASTHYA PROVIDES THE UNDERPRIVILEGED POPULATION ACCESS TO PREVENTATIVE AND PROMOTIVE HEALTHCARE SERVICES TO FACILITATE DEMOGRAPHIC AND SOCIO-ECONOMIC TRANSITION.”

Overview

Emami provides healthcare services around the 6As Principle to make healthcare Accessible, Affordable and Available with the objective to spread Awareness, enhance Accountability and generate All-round community growth.

Positive outcomes

Heart Care: Emami associated with eminent cardiologists to organise heart care camps across India, benefiting more than 345 individuals and providing 3564 EECF non-invasive therapy sessions.

Eye: Implemented the Right Vision eye-care programme by facilitating around 700 cataract surgeries and providing vision correction spectacles to around 8000 people. Conducted 18,000+ eye check-ups for the marginalised in West Bengal.

Acupuncture: Provided acupuncture treatment to 5728

patients.

Infrastructure: Provided medical infrastructure to Kolkata hospitals for the treatment of underprivileged patients.

Funding: Funded the treatment of underprivileged patients by providing 330 number of financial aids across hospitals.

Operations: Operated and managed six outpatient department clinics across various streams of medicine along with mobile camps, benefiting 77000 beneficiaries.

Ayurveda: The Sanjeevani ayurveda-based outreach program provided preventive care and holistic wellness, detecting and addressing >600 diabetic and >2000 hypertension patients and providing medicines to >17,000 patients.

Big numbers
75,000+
Patients treated



PADHENG HUN PADHANE KE LIYE



“THIS INITIATIVE IMPROVES LEARNING OUTCOMES BY CAPACITY BUILDING OF TEACHERS THROUGH THEIR TRAINING AND INNOVATIVE TEACHING PRACTICES”.



Overview

With the objective of increasing student learning outcomes, Emami helped teachers focus on the students’ learning needs through a collaborative platform comprising increased interactivity between teachers, students, parents and entire community. Under this program, training is provided to teachers of government schools on child psychology, new teaching methodologies, classroom management techniques, project-based learning and case study analysis.

Positive outcomes

Learning enhancement and teacher training workshops have been conducted using common interaction platforms through innovative learning concepts like dance movement therapy and smart parenting.

Conducted motivational classes, career counselling exercises and grooming sessions as an exercise to empower the teachers to play a bigger role in mentoring and guiding the school students.

JAN KALYAN



“THIS INITIATIVE FOCUSES ON SOCIAL UPLIFTMENT OF THE VULNERABLE SECTIONS OF THE SOCIETY”.

Overview

Emami’s CSR philosophy believes that the socio-economic development of the less-privileged is indispensable in the creation of a sustainable society. Emami’s rescue team was also engaged in providing emergency and disaster relief during the spread of the novel coronavirus pandemic.

Positive outcomes

Rehabilitating: Contributed to ‘Save Life Kolkata’ by rescuing and rehabilitating 250+ vulnerable people from the streets of Kolkata and suburbs.

Cold storage: Supported the building of a cold storage chain for underprivileged farmers in Nayagarh district (Odisha).

Seva Centres: Supported the commissioning of Seva Centres in Karnataka and Kerala,

covering 62 villages (rural entrepreneurship, model farms, modern tools and technologies, organic farming, healthcare and governance, among others).

Shelter: Supported the building of community centres and shelter homes for the poor in Assam and Karnataka.

Disaster relief: Engaged in Kerala floods relief work; supported flood victims in Assam

Protection: Provided Mumbai traffic police volunteers with raincoats to protect during monsoons.

Food support: Provided food and supplements under the Hunger Mitigation Program in and around Emami factory units.



SWACHHATA



“SWACHHATA PROVIDES ACCESS TO CLEAN DRINKING WATER AND HELPS IN THE MAINTENANCE OF HYGIENE AND SANITATION.”

Overview

Emami’s CSR support to schools and other institutions provides for clean and hygienic conditions and environment to ensure healthy body and minds of the students.

Positive outcomes

A number of toilets were constructed or renovated in government schools of Hooghly and Bankura districts (West Bengal), benefitting thousands (especially adolescent girls).

Drinking water facilities and water filters were provided in Government schools at Haripal (West Bengal).

SUKANYA



“THIS INITIATIVE AIMS TO EMPOWER WOMEN TO CELEBRATE WOMANHOOD”

Overview

Various Emami CSR programmes offer dedicated services to adolescent girls and women to empower them to lead dignified lives.

Positive outcomes

Education: Promoted girl child education through financial support and scholarships to deserving candidates

Toilets: Constructed and renovated toilets for girl students in Bankura schools, helping reduce school dropout and absenteeism.

Vocational: Empowered adolescent girls to become financially self-dependent through skilling and vocational education programmes.

Awards & accolades

Corporate Awards

- Awarded “Company of the year- FMCG” by CNBC-Awaaz for the Company’s outstanding performance on parameters such as growth, capital efficiency and profitability over a period of time
- Emami Group was conferred with “Star of the Year” at the 10th edition of Think CSR 2019 Award organised by Tefla’s.



Brand Awards

- Zandu Balm, BoroPlus and Navratna bagged 35th, 75th and 96th positions among the “ Top 100 Most Trusted Brands” under the aegis of The Economic Times - Brand Equity.
- TRA Brand Trust Report™ , undertaken by Trust Research Advisory, ranked three brands among the 1000 Most Trusted brands in the FMCG Category - BoroPlus was ranked 18th, Emami was ranked 27th and Navratna was ranked 127th
- Navratna “Saarthi 2.0” campaign, created a record and got featured in the prestigious Limca Book of Records, 2019 by training more than 10,000 drivers on road safety and safe driving across 12 states over 48 days. The campaign also won the Gold Trophy at the 8th Edition of ACEF Awards 2019.
- Navratna won Gold and Silver awards for its ‘Kumbh Mein Sukun’ and ‘Saarthi 2.0’ campaigns ‘ at Flame Awards Asia 2019 and WOW Awards Asia.
- Navratna received the Mobexx Bronze award in the “Mobile Advertising Excellence in Rich Media Campaign” category. Navratna Smart Cool Blast was recognised with this award for successful use of technology by any brand in mobile marketing.



Quality and Operations Awards

- HE Magic Duo and Emami 7 Oils in One were conferred with the ‘Recognition of Product Packaging’ under the Innovation, Creativity and Development Category at SIES SOP Awards 2019. Also received the “President’s Special Award” for the new and fresh packaging concept of Emami 7 Oils in One out of the Top 3 Shortlisted Packaging among all entries.



STATUTORY SECTION

Directors' Report



Dear Shareholders

It gives me great pleasure to share with you the performance of your Company along with audited accounts for the financial year ended March 31, 2020.

1. Operations review

The financial year under review was challenging on various accounts. While, the industry had just recovered from the ripple effect of GST implementation and demonetisation, it was faced with an extended liquidity crunch following the fall of two major NBFCs in FY19 and FY20. Consumer spending declined significantly, resulting in weaker GDP growth. This was followed by the outbreak of COVID-19 pandemic across the world, resulting in a complete lockdown in India from the last week of March 2020. This impacted our fourth quarter revenues as a large part of the revenues from our summer portfolio are usually booked in the last fortnight of March. Despite these challenges, the Company reported revenues of ₹ 2,65,488 Lac during FY20, a marginal decline of 1.6% over FY19. However, Cash Profit at ₹ 63,924 lac grew by 1.7%.

During the year under review, the company re-energised some of its brands. The company relaunched key brands like Kesh King and Zandu Pancharishta around new packaging and communication, which helped regain its growth trajectory. The company's international business reported impressive growth of 16%, driven by timely restructuring and the successful integration of Creme 21 into its global portfolio. The company's Power Brands increased their respective market shares; the company strengthened its modern trade format presence; it worked with key modern trade partners in developing joint business plans and enhancing merchandise visibility. The

company ensured the availability of key Emami products across major e-commerce platforms, including marketplaces, grocery portals and dedicated personal care portals, resulting in 130% growth from the e-commerce business. During the year, the Company continued to undertake initiatives which helped it to strengthen the positioning of its various brands in the markets.

To effectively counter the prevailing challenges, the Company strengthened process efficiency through a cost saving project called WoW (War on Waste) by engaging a reputed global consultant to work across functions like media, raw material procurement, production, packaging and supply chain.

Emami reinforced its position as a company that shares rewards liberally when the Board of Directors approved a ₹ 192 crore buyback offer at a price not exceeding ₹ 300 per share. The Company believes that this buyback will reduce the number of shares outstanding, enhancing shareholders value.

The Company continued to be a responsible FMCG player and worked on reducing consumption of plastic packaging material. It undertook initiatives which helped to moderate use of fossil fuel and reduce carbon footprint. Besides, the Company took several steps to recycle water in its manufacturing units. The company believes that its business model will be more relevant in a new world facing the challenge of COVID-19 as consumers invest more in hygiene, healthcare and wellness. Emami is positioned to capitalise and resume its multi-year growth journey.

Financial Results

(₹ lac)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Operating income	238992	248870	265488	269463
Profit before interest, depreciation and taxation	68612	74363	74762	76212
Interest	1890	1929	2101	2140
Depreciation and amortisation	32610	31804	33633	32531
Profit Before Tax and Exceptional Items	34111	40629	39028	41541
Exceptional Items	326	980	1068	980
Profit before taxation	33786	39650	37960	40561
Less: Provision for taxation				
- Current tax	6427	8637	7984	9723
- Deferred tax (net)	(1553)	488	(857)	366
-MAT credit entitlement	-	-	-	-
Profit after taxation	28912	30524	30833	30473
Share of minority interest	-	-	(61)	(70)
Profit after minority interest	28912	30524	30894	30543
Share of profit/(loss) of associate	-	-	(602)	(220)
Profit for the year	28912	30524	30292	30323
Cash profit	61522	62328	63924	62854
Balance brought forward	69964	59082	71121	63077
Profit available for appropriation	98876	89606	101413	93400
Appropriation				
Effects of adoption of new accounting standard , i.e, Ind AS 115	-	977	-	3552
Dividend	36315	15888	36315	15888
Corporate dividend tax	7465	3133	7465	3133
Re-measurement of net defined benefit plans (net of tax)	(8)	(356)	16	(294)
Balance carried forward	55104	69964	57617	71121
Total	98876	89606	101413	93400

2. Changes in the nature of business, if any

There has been no change in the nature of business of the Company during the financial year 2019-2020.

3. Dividend

The Company has paid 1st interim dividend of 200%, being ₹ 2/- per equity share of ₹ 1/- each to the shareholders as on its record date i.e. November 15, 2019 and has paid further 2nd interim dividend of 200%, being ₹ 2/- per equity share of ₹ 1/- each to the shareholders as on its record date i.e. March 27, 2020 for the financial year 2019-20. The total dividend outgo for the

financial year ended March 31, 2020 amounted to ₹ 21,889 lac including the dividend distribution tax of ₹ 3,732 lac. The dividend payout ratio works out to 75.7%. The said interim dividends would be confirmed in the ensuing Annual General meeting.

4. Transfer to reserve

Your Directors do not propose to transfer any amount to the general reserve.

5. Material changes and commitments

No material changes and commitments have occurred from the date of close of the financial year till the date of this Report, which might affect the financial position of the Company.

6. Share Capital

The Authorised share capital comprises of 50,00,00,000 equity shares of ₹ 1/- each (as on 31st March, 2020) and Issued, Subscribed and Fully Paid up share capital is : 45,39,35,238 equity shares of ₹ 1/- each (as on 31st March, 2020).

The Company has bought back 72,35,498 equity shares till 25th June, 2020 from the open market route through the stock exchange mechanism under the ongoing Buyback scheme, out of which 54,85,498 equity shares were extinguished as per the records of the depositories.

7. Buyback of Equity Shares

In line with achieving the overall shareholders' value, efficient utilization of surplus Fund, increase Earning per shares and increase in the return on capital & return on net worth, the Board of Directors at its Meeting held on March 19, 2020 approved the Buyback of fully paid-up equity shares of the face value of ₹ 1/- (Rupee One Only) of the Company, each from its shareholders/beneficial owners (other than those who are promoters, members of the promoter group or persons in control), from the open market through stock exchange mechanism for an aggregate amount not exceeding ₹ 19,199.43 lac (Indian Rupees One ninety one crore ninety nine lac and forty three thousand only) and at a price not exceeding INR 300/- (Indian Rupees three hundred Only) per Equity Share, payable in cash.

The Maximum Buyback Size represents 10% and 9.94% of the aggregate of the total paid-up capital and free reserves of the Company based on the audited standalone and consolidated financial statements of the Company as at March 31, 2019.

The Buyback of Equity Shares opened on March 27, 2020 and to be closed by September 26, 2020. As on 25th June, 2020 the Company has bought back 72,35,498 shares out of which 54,85,498 shares have been extinguished.

8. Internal control systems and their adequacy

Your Company has in place, an adequate system of internal controls commensurate with its size, requirements and the nature of operations. These

systems are designed keeping in view the nature of activities carried out at each location and various business operations.

Your Company's in-house internal audit department carries out internal audits at all manufacturing locations, offices and sales depots across the country. The objective is to assess the existence, adequacy and operation of financial and operating controls set up by the Company and to ensure compliance with the Companies Act, 2013, SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 and corporate policies.

Your Company's internal audit department and risk management system have been accredited with ISO 9001:2015 and ISO 31000:2009 certifications, respectively.

A summary of all significant findings by the audit department along with the follow-up actions undertaken thereafter is placed before the Audit Committee for review. The Audit Committee reviews the comprehensiveness and effectiveness of the report and provides valuable suggestions and keeps the Board of Directors informed about its major observations from time to time.

9. Internal financial controls

The Company has in place adequate financial controls commensurate with its size, scale and complexity of its operations. The Company has in place policies and procedures required to properly and efficiently conduct its business, safeguard its assets, detect frauds and errors, maintain accuracy and completeness of accounting records and prepare financial records in a timely and reliable manner.

10. Subsidiary companies and associate companies

A. Subsidiary companies

Pursuant to Section 134 of the Companies Act 2013 and Rule 8(1) of the Companies (Accounts) Rules 2014, the report on performance and financial position of subsidiaries is included in the Consolidated Financial Statements of the Company. The Company has a policy for determining the materiality of a subsidiary, which

is available at www.emamiltd.in/investor-info/pdf/Policy-for-Determining-Materiality-of-Subsidiaries.pdf. As of March 31, 2020, your Company had the following subsidiary companies:

- i) Emami Bangladesh Ltd., wholly-owned subsidiary of Emami Limited
- ii) Emami International FZE, wholly-owned subsidiary of Emami Limited
- iii) Emami Indo Lanka (Pvt.) Ltd., Sri Lanka a wholly-owned subsidiary of Emami Limited
- iv) Emami Rus (LLC), Russia, 99.99% subsidiary of Emami International FZE
- v) Emami Overseas FZE, UAE, wholly-owned subsidiary of Emami International FZE
- vi) Pharma Derm SAE Co., Egypt, 90.60% subsidiary of Emami Overseas FZE
- vii) Fravin Pty Ltd., Australia, 85% subsidiary of Emami International FZE
- viii) Diamond Bio-tech Laboratories Pty Ltd., Australia, a subsidiary of Fravin Pty Ltd.
- ix) Abache Pty Ltd, Australia, a subsidiary of Diamond Bio-tech Laboratories Pty Ltd.
- x) Crème 21 (Formerly Known as Fentus 113. GmbH, Germany), Wholly owned subsidiary of Emami International FZE

Greenlab Organics Limited, a UK-based subsidiary Company of Fravin Pty Ltd., being inoperative since its incorporation has been dissolved during the year under review.

In compliance with IND-AS-110, your Company has prepared its consolidated financial statements, which forms part of this Annual Report. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a separate statement containing the salient features of the subsidiary companies in the prescribed form (AOC#1) is a part of the consolidated financial statements. The accounts of the subsidiary companies will be available to any member seeking such information at any point of time. The financial statements of the Company along with the accounts of the subsidiaries will be

available at the website of the Company www.emamiltd.in

Brief financial and operational details of the subsidiary companies are provided hereunder:

Emami Bangladesh Ltd.

Emami Bangladesh Ltd., a wholly-owned subsidiary of Emami Limited, was incorporated on November 25, 2004 under the Companies Act of Bangladesh. It is engaged in the manufacture, import and sale of cosmetics and ayurvedic medicines. It has its manufacturing unit in Dhaka. During the financial year ended March 31, 2020, the Company clocked revenues worth ₹ 14,105 lac (previous year ₹ 11,136 lac) and profit after tax of ₹ 2,634 lac (previous year ₹ 2,020 lac).

Emami International FZE

Emami International FZE, a wholly-owned subsidiary of Emami Limited, was incorporated on November 12, 2005 in the Hamriyah Free Zone, Sharjah, UAE and is governed by the rules and regulations laid down by the Hamriyah Free Zone Authority. It is engaged in the business of purchasing and selling cosmetics and ayurvedic medicines.

During the financial year ended March 31, 2020, the Company clocked revenues worth ₹ 17,517 lac (previous year ₹ 16,873 lac) and profit/loss after tax of ₹ (4,251) lac [previous year ₹ (674) lac].

Emami Overseas FZE

Emami Overseas FZE, a wholly-owned subsidiary of Emami International FZE, was incorporated on November 25, 2010. It is the holding company of Pharma Derm SAE Co. in Egypt.

During the financial year ended March 31, 2020, the Company recorded revenues worth ₹ Nil (previous year: nil) and profit/loss after tax of ₹ (9) lac [previous year of ₹ (7) lac].

Pharma Derm SAE Co.

Pharma Derm SAE Co. is a 90.60% subsidiary of Emami Overseas FZE and was registered on September 6, 1998 under the relevant Companies Act of Egypt.

The Company was acquired to manufacture pharmaceuticals, disinfectants, cosmetics,

chemicals, among others as a subsidiary of Emami Overseas FZE in FY 2010-11. The Company has not yet commenced operations due to volatile political and economic conditions in Egypt.

During the financial year ended March 31, 2020, the Company recorded revenues worth ₹ Nil Lac (previous year ₹ (67) Lac) and profit/ loss after tax of ₹ 27 lac [previous year ₹ (331) lac].

Fravin Pty Ltd.

Fravin Pty Ltd. (Australia based subsidiary) is an 85% Subsidiary of Emami International FZE. It was acquired in FY 2014-15 and has discontinued its operations during this financial year.

During the financial year ended March 31, 2020, the Company clocked revenues worth ₹ 6 lac (previous year: ₹ 53 lac) and a Profit/(loss) after tax of ₹ (609) lac [previous year ₹ (247) lac].

Diamond Bio Tech Laboratories Pty Ltd.

Diamond Bio Tech Laboratories Pty Ltd., an Australia-based subsidiary of Fravin, was involved in the export of organic products.

During the financial year ended March 31, 2020, the Company recorded Nil revenues (previous year: nil) and a Profit after tax of ₹ 71 lac (previous year ₹ (5) lac).

Abache Pty Ltd.

Abache Pty Ltd., a subsidiary of Diamond Bio-Tech Laboratories Pty Ltd.

During the financial year ended March 31, 2020, the Company earned Nil revenues (previous year Nil) and Profit after tax of ₹ 59 Lac [previous year ₹ (8) lac].

Emami Indo Lanka (Pvt) Ltd.

Emami Indo Lanka (Pvt) Ltd., Sri Lanka, which was incorporated on 27th June 2017, is a wholly-owned subsidiary of Emami Limited. With an objective of tapping the potential of the local market, it started manufacturing locally in FY 2017-18 through a contract manufacturer.

During the period ended March 31, 2020, the Company earned revenues of ₹ 1,019 lac (previous year ₹ 752 lac) and Profit/(loss) after tax of ₹ (19) Lac, (previous year ₹ (59) lac).

Emami (RUS) LLC

Emami (RUS) LLC a subsidiary of Emami International FZE, UAE, was incorporated on 14th August, 2018 with an objective of trading of Perfumery, Cosmetics and Pharma products.

During the period ended March 31, 2020, the Company earned ₹ 3,654.31 lac revenues and Profit after tax of ₹ 23 lac [previous year ₹ (12) lac].

Crème 21 (Formerly Known as Fentus 113. GmbH), Germany

Fentus 113 GmbH. Germany a wholly owned subsidiary (WOS) of Emami International FZE, UAE, was incorporated on 3rd Jan, 2019.

During the period ended March 31, 2020, the Company earned revenues of ₹ 1,073 lac and Profit/(loss) after tax of ₹ (37) lac.

B. Associate companies

Helios Life Style Private Limited

Helios is engaged in online male grooming sector and during the financial year ended March 31, 2020, earned revenues worth ₹ 3,923 lac (previous year ₹ 2033 lac) and a profit/(loss) after tax of ₹ (1474) lac (previous year ₹ (707) lac).

Brillare Science Private Limited

Brillare, is engaged in manufacturing of professional saloon products and during the financial year ended March 31, 2020, the Company earned revenues worth ₹ 441 lac (previous year ₹ 902 lac) and Profit/(loss) after tax of ₹ (355) Lac [previous year ₹ (873) lac].

11. Public Deposits

The Company has not accepted any public deposits covered under Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

12. Non-convertible debentures

The Company did not issue any non-convertible debentures during the financial year 2019-20.

13. Consolidated financial statements

The consolidated financial statements, prepared in accordance with IND-AS110 consolidated financial statements, form part of this Report. The net worth of the consolidated entity as on March 31, 2020,

stood at ₹ 1,82,375 lac as against ₹ 2,07,606 lac at the end of the previous year.

14. Secretarial Standards of ICSI

The Ministry of Corporate Affairs has mandated SS-1 and SS-2 with respect to board/committee meetings and general meetings respectively. The Company has ensured compliance with the same.

15. Auditors and Auditors' Reports

Statutory audit

Your Company's Auditors, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (firm registration number 301003E/E300005), were appointed as the Statutory Auditors from the conclusion of the 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company. The Auditors report to the shareholders on the financial statement of the Company for the financial year ended on 31st March 2020 does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s MKB & Associates, Practicing Company Secretaries, as its secretarial auditor to undertake the Secretarial Audit for FY2019-20. The secretarial audit report certified by the secretarial auditors, in the specified form MR-3 is annexed herewith and forms part of this report (Annexure I). The secretarial audit report does not contain any qualifications, reservations or adverse remarks. Furthermore, the Secretarial Auditor M/s MKB & Associates, Practicing Company Secretaries, have also certified the compliance as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and same has been intimated to the stock exchanges within the stipulated time.

Cost Auditor

Your Company's cost accountants, M/s. V.K. Jain & Co. (firm registration number 00049), were appointed by the Board of Directors at its meeting held on May 27, 2019 to audit the cost accounting records, as may be applicable to the Company for

FY2019-20, and their remuneration was approved during the previous Annual General Meeting.

M/s V.K. Jain & Co, were reappointed as cost auditors for FY2020-21 by the Board of Directors in its meeting held on 26th June, 2020 and the remuneration payable to the cost auditors is required to be placed before the members in the ensuing Annual General Meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to them is included in the notice convening the Annual General Meeting. The Board recommends the same for approval by members at the ensuing Annual General Meeting.

16. Conservation of energy, technology and exchange outgo

The particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo in accordance with the provisions of Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts of Companies) Rules, 2014, is annexed herewith and forms part of this Report (Annexure II).

17. Extract of Annual Returns

The extracts of the annual return in form MGT 9 in terms of provisions of Section 92, of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is attached herewith and form part of this report, as (Annexure III) and the same can be accessed from the website of the Company by clicking on the following link <http://www.emamiltid.in>

18. Corporate social responsibility

Corporate social responsibility forms an integral part of your Company's business activities. The Company carries out its corporate social responsibility initiatives not just in letter but also in spirit and thus has touched thousands of lives across India.

In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted a CSR policy, which is available at: [http://www.emamiltid.in/holisticliving/pdf/Corporate Social Responsibility Policy of EmamiLtd.pdf](http://www.emamiltid.in/holisticliving/pdf/Corporate%20Social%20Responsibility%20Policy%20of%20EmamiLtd.pdf)

The Annual Report on CSR expenditures for the FY 2019-20 is annexed herewith and forms part of this report (Annexure IV).

The Company spent ₹ 564.14 Lac on CSR activities during the year against obligation of ₹ 800.39 Lac. The shortfall was primarily on account of certain educational and medical initiatives which were planned for March 2020 but could not be undertaken due to unprecedented COVID-19 pandemic situation.

19. Directors and key managerial personnel

In accordance with provisions of Section 152 of the Companies Act, 2013 read with Rules made thereunder, Shri Mohan Goenka (DIN 00150034), Shri Prashant Goenka (DIN 00703389) and Smt. Priti A Sureka (DIN 00319256) are liable to retire by rotation at the 37th Annual General Meeting and being eligible, offer themselves for reappointment.

On recommendation of Nomination & Remuneration Committee, the Board of Directors reappointed Smt. Priti A Sureka (DIN 00319256), as Whole-time Director of the Company upon completion of her present term on 29th January 2020 for a period of 5 (five) years w.e.f. 30th January 2020 subject to approval of the members in the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors that they meet the criteria of independence as prescribed in the Companies Act, 2013 and SEBI Listing Regulations, 2015.

None of the Directors of the Company is disqualified for being appointed as Director, as specified under section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

A brief resume of the Directors proposed to be reappointed, is provided in the Notice of the Annual General Meeting forming part of the Annual report.

20. Business responsibility report

As required under Regulation 34 of SEBI Listing Regulations 2015, the Business Responsibility

Report of the Company for the financial year ended March 31, 2020 is attached as part of the Annual Report.

21. Dividend Distribution Policy

The Company has formulated a Dividend Distribution Policy, which is disclosed in (Annexure V). The same is also displayed on the website of the Company, [http://www.emamiltd.in/investor-info/pdf /Dividend_Distribution_Policy_Emamiltd.pdf](http://www.emamiltd.in/investor-info/pdf/Dividend_Distribution_Policy_Emamiltd.pdf).

22. Board induction, training and familiarisation programme for Independent Directors

Prior to the appointment of an Independent Director, the Company sends him/her a formal invitation along with a detailed note on the profile of the Company, the Board structure and other relevant information. At the time of appointment of the Director, a formal letter of appointment which inter alia explains the role, functions, and responsibilities expected of him/her as a Director of the Company is given. The role, functions, and responsibilities of the Director are also explained in detail and informed about the various compliances required from him/her as a Director under the various provisions of the Companies Act 2013, SEBI Listing Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, the Code of Conduct of the Company and other relevant regulations.

A Director, upon appointment, is formally inducted to the Board. In order to familiarise the Independent Directors about the various business drivers, they are updated through presentations at Board Meetings about the performance and financials of the Company. They are also provided presentations about the business and operations of the Company from time to time.

The Directors are also updated on the changes in relevant corporate laws relating to their roles and responsibilities as Directors. The details of the Board familiarisation programme for the Independent Directors can be accessed at: <http://www.emamiltd.in/investor-info/pdf/EmamiLtdFamiliarisationProgrammeForIndependentDirectors.pdf>

23. Performance evaluation

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with rules made thereunder, Regulation 17(10) of the SEBI Listing Regulations, 2015 and the Guidance note on Board evaluation issued by SEBI vide its circular dated January 5, 2017, the Company has framed a policy for evaluating the annual performance of its Directors, Chairman, the Board as a whole, and the various Board Committees. The Nomination and Remuneration Committee of the Company has laid down parameters for performance evaluation in the policy.

The Board also evaluated the performance of each of the Directors, the Chairman, the Board as whole and all committees of the Board. The process of evaluation is carried out in accordance with the Board Evaluation Policy of the Company and as per the criteria laid down by the NR Committee. The Board members were satisfied with the evaluation process.

24. Number of meetings of the Board

The Board of Directors held five meetings during the year on 27th May 2019, 8th August 2019, 6th November 2019, 7th February 2020 and 19th March 2020. The maximum gap between any two meetings was less than 120 days, as stipulated under SEBI Listing Regulations, 2015. The details of Board Meetings held and attendance of Directors are provided in the Report on Corporate Governance forming part of this report.

25. Committees of the Board

The Company has constituted/reconstituted various Board-level committees in accordance with the requirements of the Companies Act 2013 and SEBI (LODR) Regulations, 2015. The Board has the following committees as under:

- I. Audit Committee
- II. Nomination and Remuneration Committee
- III. Share Transfer Committee
- IV. Stakeholders Relationship Committee
- V. Finance Committee

VI. Corporate Governance Committee

VII. Corporate Social Responsibility Committee

VIII. Risk Management committee

IX. Buy back Committee

Details of all the above Committees along with composition and meetings held during the year under review are provided in the Report on Corporate Governance forming part of this Report.

26. Separate meeting of Independent Directors

Detail of the separate meeting of the Independent Directors held and attendance of Independent Directors therein are provided in the Report on Corporate Governance forming part of this Report.

27. Whistle-blower policy

The Company has established an effective Whistle-blower policy (Vigil mechanism) and procedures for its Directors and employees. The details of the same are provided in the Report on Corporate Governance, which forms part of this Report. The policy on vigil mechanism may be accessed on the Company's website at: <http://www.emamiltid.in/investor-info/pdf/WhistleBlowerPolicyEmami.pdf>.

28. Remuneration policy

The remuneration policy of the Company aims to attract, retain and motivate qualified people at the executive and Board levels. The remuneration policy seeks to employ people who not only fulfil the eligibility criteria but also have the attributes needed to fit into the corporate culture of the Company. The remuneration policy seeks to provide well-balanced and performance-related compensation packages, taking into account industry standards and relevant regulations.

The remuneration policy ensures that the remuneration to the directors, key managerial personnel and the senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. The remuneration policy is consistent with the 'pay-for-performance' principle.

The Company's policy on remuneration and appointment of Board members as mentioned in the Remuneration Policy have been disclosed on the Company's website: <http://www.emamiltd.in/investor-info/index.php#Compliance> and annexed the Directors' Report which forms part of the Annual Report (Annexure VI).

29. Related party transactions

All related party transactions entered into by the Company during the financial year were conducted at an arm's length basis. No material contracts or arrangements with related parties were entered into during the year under review. Accordingly, disclosure of Related Party Transaction as required under Section 134(3)(h) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 in form AOC-2 is not applicable. During the year, the Audit Committee had granted an omnibus approval for transactions, which were repetitive in nature for one financial year. All such omnibus approvals were reviewed by the Audit Committee on a quarterly basis. All related party transactions were placed in the meetings of Audit Committee and the Board of Directors for the necessary review and approval. Your Company's policy for transactions with the related party which was reviewed by the Audit Committee and approved by the Board, can be accessed at: <http://www.emamiltd.in/investorinfo/index.php#Compliance>.

The Company has developed and adopted relevant SOPs for the purpose of monitoring and controlling such transactions.

30. Particulars of loans, guarantees and investments

Particulars of loans, guarantees and investments made by the Company pursuant to Section 186 of the Companies Act 2013 are given in the notes to financial statements. During the year, the Company has granted loans, provided guarantee and made investment in its wholly owned subsidiary(ies) and other body corporate for their business purpose. The Company has also subscribed to securities of other bodies corporate as strategic investors and the said bodies corporate have issued the said

securities for their business purposes. Details of loans granted, guarantee provided and investment made are provided in the notes to the accounts.

31. Particulars of employees and managerial remuneration

The information of employees and managerial remuneration, as required under Section 197(2) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and other details are annexed herewith and forms part of this Report (Annexure VII).

32. Management discussion and analysis and Corporate Governance Report

As per Regulation 34(3) read with Schedule V of the SEBI Listing Regulations 2015, Management Discussion Analysis, Corporate Governance Practices followed by your Company, together with a certificate from the Company's auditors confirming compliance of conditions of Corporate Governance are an integral part of this Report.

33. Risk management system

The Company has developed and implemented a risk management policy which is periodically reviewed by the management. The system also complies with the requirements laid down under the ISO 31000: 2009 norms.

In accordance with Regulation 21 of SEBI Listing Regulations, 2015, the enterprise risk management policy of the Company, which has been duly approved by the Board, is reviewed by the Risk Management Committee, Audit Committee and the Board on a quarterly basis. The risk management process encompasses practices relating to identification, assessment, monitoring and mitigation of various risks to key business objectives. Besides exploiting the business opportunities, the risk management process seeks to minimise adverse impacts of risk to key business objectives.

34. Prevention of sexual harassment at workplace

Your Company is committed to provide a work environment which ensures that every woman

employee is treated with dignity, respect and equality. There is zero-tolerance towards sexual harassment and any act of sexual harassment invites serious disciplinary action.

As per the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), your Company has established a policy to prevent sexual harassment of its women employees. The policy allows every employee to freely report any such act with the assurance of prompt action to be taken thereon. The policy lays down severe punishment for any such act. The Company has complied with provisions relating to the constitution of internal complaints committee under POSH. During the year under review, the company has received three complaints out of which two have been redressed as per policy and law and one complaint for which enquiry is under process.

Several initiatives were undertaken during the year to demonstrate the Company's zero tolerance philosophy against discrimination and sexual harassment including awareness programme, which included creation and dissemination of comprehensive and easy-to-understand training and communication material.

35. Details of significant and material orders passed by regulators/courts/tribunals

There was no instance of any material order passed by any regulators/courts/tribunals impacting the going concern status of the Company.

36. Directors' Responsibility Statement

Pursuant to the requirements laid down under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Directors confirm that:

- I. In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and no material departures have been made.

- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2020, and of the profit of the Company for the year ended on that date.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The annual accounts were prepared on a going concern basis.
- V. The Directors have laid down effective internal financial controls to consistently monitor the affairs of the Company and ensured that such internal financial controls were adequate and operating effectively.
- VI. The Directors have devised a proper system to ensure compliance with the provisions of all applicable laws and that the same are adequate and operating effectively.

37. Acknowledgements

Your Directors would like to acknowledge and place on record their sincere appreciation of all stakeholders – shareholders, bankers, dealers, vendors and other business partners for the unstinted support received from them during the year under review. Your Directors recognise and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

For and on behalf of the Board

Place: Kolkata
Date: 26th June, 2020

R.S. Agarwal
Chairman

ANNEXURES TO THE DIRECTORS' REPORT
ANNEXURES - I
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
EMAMI LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by EMAMI LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
 - a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
 - b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
 - f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
 - g) The Securities & Exchange Board of India

(Delisting of Equity Shares) Regulations, 2009

- h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 2018
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/trading companies, the following laws/acts are also, inter alia, applicable to the Company:
 - a) The Legal Metrology Act, 2009;
 - b) Drugs & Cosmetics Act and Rules thereunder;
 - c) Indian Boiler Act, 1923

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days

in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Board of Directors at their meeting held on 19th March, 2020 approved buyback of equity shares of the company for an aggregate amount of ₹ 19,199.43 Lakhs. Till 31st March, 2020 the company has bought back 7,54,238 equity shares which were extinguished in the month of April, 2020.

This report is to be read with our letter of even date which is annexed as Annexure – I which forms an integral part of this report.

For MKB & Associates
Company Secretaries

Manoj Kumar Bantia
[Partner]

ACS No. 11470

COP No. 7596

Date: 26/6/2020

Place: Kolkata

FRN: P2010WB042700

UDIN: A014470B000384777

ANNEXURE- I

To
The Members,
EMAMI LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Note: There was lockdown declared by the Central Government in the country due to COVID-19 pandemic since 24th March 2020. During the Lockdown, for carrying on and completion of the Audit, documents /details have been provided by the Company through electronic mode and the same have been verified by us.

For MKB & Associates
Company Secretaries

Manoj Kumar Banthia
[Partner]

ACS No. 11470

COP No. 7596

FRN: P2010WB042700

UDIN: A014470B000384777

Date: 26/6/2020

Place: Kolkata

ANNEXURE-II

STATEMENT OF PARTICULARS UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

1. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY

The power consumption of the Company as a percentage of the total turnover comes to negligible percent. The efforts of the company are aimed to minimize energy consumption in spite of the rapid increase in operations of the company.

B. STEPS TAKEN FOR UTILISING ALTERNATE SOURCES OF ENERGY

As the energy consumption to total turnover is very minimal, use of alternate source of energy is presently not required.

C. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

As the energy consumption to total turnover is very minimal, investment in Energy Conservation Equipment is presently not required.

2. PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

A. EFFORTS IN BRIEF TOWARDS TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company has always been aware of the latest technological developments and adapted them to make products more cost-effective and to attain high levels of quality.

B. BENEFITS DERIVED

1. The benefits derived by the Company for such adaptation have been evident in reducing cost, improving packaging, upgrading existing products and developing new products. Thus, it helped the Company to satisfy consumer needs and business requirements.
2. Future plan of action: Emphasis will continue to be laid on innovative products keeping in view the need and taste of consumers, innovative packaging and adoption of latest technology and know-how to make products more cost-effective as well as of high quality.

C. IMPORTED TECHNOLOGY

Technology imported	None
Year of import	Not applicable
Has technology been fully absorbed?	Not applicable

D. RESEARCH & DEVELOPMENT

1. The R&D activities of the Company are specifically focused on developing new products and improving existing products and analytical methods.
2. The result of such dedicated research work is the constant and innovative expansion in the range of products and achieving greater levels of quality by improved consumption of raw materials and reduction in wastage.
3. The Company's efforts are directed towards creating value-added products and packs for all consumer segments. It is focused on innovative packaging to achieve consumer appeal as well as providing convenience to consumers.
4. The Company's future plan includes putting greater emphasis on Ayurveda science to deliver innovative and effective products.

5. Expenditure in R&D:

	₹ In Lac
Capital	96.27
Recurring	2076.41
Total	2172.68
R&D as a percentage of total turnover	0.91%

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Activity relating to exports: Initiatives were taken to increase exports, development of new export markets for products, and export plans

Total export in foreign exchange for the financial year 2019-20 was ₹ 7647.84 lac. In order to expand overseas business, the Company registered its various brands in a number of countries apart from obtaining registration of respective products from the statutory authorities in those countries. The Company has also undertaken extensive marketing and advertising campaigns overseas to increase its exports business.

B. The total foreign exchange used during the year by the Company is apportioned under the following heads:

	₹ In Lac
Raw materials	3202.96
Capital goods	1901.57
Professional fees	488.97
Others	2054.34
Total	7647.84

C. Foreign exchange earnings during the year

	₹ In Lac
Export of goods on FOB basis	9610.81
Dividend	3852.55
Royalty	293.76
Interest	291.96
Guarantee Commission	62.68
Total	14111.76

ANNEXURE-III**Form No. MGT-9****EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2020**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L63993WB1983PLC036030
2	Registration Date	11/03/1983
3	Name of the Company	Emami Limited
4	Category / Sub-Category of the Company	Company Limited by Shares
5	Address of the Registered office and contact details:	Emami Tower, 687 EM Bypass, Anandapur, Kolkata – 700107, West Bengal Contact - +91 33 6133 6264
6	Whether listed company	Yes
7	Cosmetic & Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Private Limited, 23, R. N. Mukherjee Road, 5th floor Kolkata 700001, West Bengal, India.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the Company

Sl. No	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Ayurvedic Medicinal Products	21003	78.68 %
2	Cosmetic & Toiletries	20237	18.73 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Emami Bangladesh Limited, Bangladesh Aqua Towers, Mohakhali C/A,6th Level, Dhaka - 1212, Bangladesh	N.A.	Subsidiary of Emami Limited	100%	2(87)
2	Emami International FZE, UAE Leased Office Building - 20, Office No - 20G-07, P O Box - 42685 Hamriyah Free Zone, Sharjah, UAE	N.A.	Subsidiary of Emami Limited	100%	2(87)
3	Emami Overseas FZE, UAE Leased Office Building - 20 Office No - 20G-07, P O Box - 42685, Hamriyah Free Zone, Sharjah, UAE	N.A.	Subsidiary of Emami International FZE	100%	2(87)

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
4	Emami Rus (LLC), Russia House # 11/1, Domodedovskaya Street Office # 145 Room # 1 115551, Moscow, Russia	N.A.	Subsidiary of Emami International FZE	99.99%	2(87)
5	Crème 21 (Formerly Known as Fentus 113. GMBH), Germany Kaiser-Friedrich-Promenade 28, 61348 Bad Homburg v.d. Hohe, Germany	N.A.	Subsidiary of Emami International FZE	100%	2(87)
6	Emami Indo Lanka Pvt Ltd, Srilanka No. 200, Lukmanjee Square, Colombo-14, Srilanka	N.A.	Subsidiary of Emami Limited	100%	2(87)
7	Pharma Derm SAE Co. New Borg El Arab Industrial City, 3rd Zone, Part No. 5, Block 11, Alexandria, Egypt	N.A.	Subsidiary of Emami Overseas FZE	90.60%	2(87)
8	Fravin Pty Ltd., Australia C/o Inventure Adam & Rogers Pty Ltd. Level 1, 214 Greenhill Road, Eastwood SA 5063, Australia	N.A.	Subsidiary of Emami International FZE	85.00%	2(87)
9	Diamond Bio-tech Laboratories Pty Ltd., C/o Inventure Adam & Rogers Pty Ltd. Level 1, 214 Greenhill Road, Eastwood SA 5063, Australia	N.A.	Subsidiary of Fravin Pty Ltd.	100%	2(87)
10	Abache Pty Ltd., Australia C/o Inventure Adam & Rogers Pty Ltd. Level 1, 214 Greenhill Road, Eastwood SA 5063, Australia	N.A.	Subsidiary of Diamond Bio-Tech Laboratories Pty Ltd.	100%	2(87)
11	Helios Lifestyle Pvt Ltd., Spazedge Tower, Tower-B, office No. 522-526 Sector-47, Sohna Road, Gurgaon-122001	U24297HR2013PTC048437	Associate Company	33.09%	2(6)
12	Brillare Science Private Limited, D-603, Ganesh Meridian, NR New Gujarat High Court, S.G. Highway, Ahmedabad, Gujarat- 380060	U24100GJ2015PTC084144	Associate Company	34.70%	2(6)

Note : Greenlab Organics Limited (UK) Step down Subsidiary has been dissolved on 7th January, 2020

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2019]				No of Shares held at the end of the year [As on 31/Mar/2020]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	29334244	0	29334244	6.4622	29334244	0	29334244	6.4622	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	250848342	0	250848342	55.2608	208448342	0	208448342	45.9203	-9.3405
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	280182586	0	280182586	61.7230	237782586	0	237782586	52.3825	-9.3405
(2) Foreign									
a) NRIs - Individuals	4610826	0	4610826	1.0157	1610826	0	1610826	0.3549	-0.6608
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	4610826	0	4610826	1.0157	1610826	0	1610826	0.3549	-0.6608
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	284793412	0	284793412	62.7387	239393412	0	239393412	52.7374	-10.0013
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	59696098	0	59696098	13.1508	112908029	0	112908029	24.8732	11.7224
b) Banks/FI	284766	0	284766	0.0627	127053	0	127053	0.0280	-0.0347
c) Central Govt	175966	0	175966	0.0388	0	0	0	0.0000	-0.0388
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	0	0	0	0.0000	12661726	0	12661726	2.7893	2.7893
g) FIs	5246	0	5246	0.0012	0	0	0	0.0000	-0.0012
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds	18946636	0	18946636	4.1739	17131163	0	17131163	3.7739	-0.4000
Foreign Portfolio Investors	51338115	0	51338115	11.3096	31784737	0	31784737	7.0020	-4.3076
Provident Funds / Pension Funds									
Qualified Foreign Investor									
Sub-total(B)(1):-	130446827	0	130446827	28.7370	174612708	0	174612708	38.4664	9.7294
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	17295592	7896	17303488	3.8119	14711459	7896	14719355	3.2426	-0.5693
ii) Overseas									
b) Individuals									

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2019]				No of Shares held at the end of the year [As on 31/Mar/2020]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	17645580	1083847	18729427	4.1260	19945989	908645	20854634	4.5942	0.4682
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1012596	245364	1257960	0.2771	1170496	245364	1415860	0.3119	0.0348
c) Others (Specify)									
Non Resident Indians	1156975	3360	1160335	0.2556	1302484	336	1302820	0.2870	0.0314
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals	550	0	550	0.0001	550	0	550	0.0001	0.0000
Clearing Members	225827	0	225827	0.0497	1334619	0	1334619	0.2940	0.2443
Trusts	9859	0	9859	0.0022	10597	0	10597	0.0023	0.0001
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	7553	0	7553	0.0017	5955	0	5955	0.0013	-0.0004
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority	0	0	0	0.0000	284728	0	284728	0.0627	0.0627
Sub-total(B)(2):-	37354532	1340467	38694999	8.5243	38766877	1162241	39929118	8.7961	0.2718
Total Public Shareholding (B)=(B)(1)+ (B)(2)	167801359	1340467	169141826	37.2613	213379585	1162241	214541826	47.2625	10.0012
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	452594771	1340467	453935238	100.0000	452772997	1162241	453935238	100.0000	0.0000

ii) Shareholding of Promoters and Promoter Group

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2019]			Shareholding at the end of the year [As on 31/Mar/2020]			% change in shareholding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	DIWAKAR VINIYOG PRIVATE LIMITED	58633849	12.9168	58.8232	49533849	10.9121	99.9418	-2.0047
2	SUNTRACK COMMERCE PRIVATE LIMITED	58234107	12.8287	49.3908	49134107	10.8240	99.4978	-2.0047
3	BHANU VYAPAAR PRIVATE LIMITED	51045902	11.2452	87.2724	43765902	9.6414	96.6049	-1.6038
4	RAVIRAJ VINIYOG PRIVATE LIMITED	25096984	5.5288	45.6230	21456984	4.7269	99.0307	-0.8019
5	PRABHAKAR VINIYOG PRIVATE LIMITED	24131492	5.3161	38.9905	20491492	4.5142	98.7490	-0.8019
6	SURAJ VINIYOG PRIVATE LIMITED	23645848	5.2091	9.7988	20005848	4.4072	97.8335	-0.8019
7	PRITI A SUREKA	11609702	2.5576	0.0000	11609702	2.5576	25.8405	0.0000

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2019]			Shareholding at the end of the year [As on 31/Mar/2020]			% change in shareholding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
8	ROHIN RAJ SUREKA	3500000	0.7710	0.0000	3500000	0.7710	0.0000	0.0000
9	TMT VINIYOGAN LIMITED	9033160	1.9900	18.0668	3033160	0.6682	96.5396	-1.3218
10	AVISHI SUREKA	1400000	0.3084	0.0000	1400000	0.3084	0.0000	0.0000
11	EMAMI PAPER MILLS LTD	933000	0.2055	0.0000	933000	0.2055	0.0000	0.0000
12	SACHIN GOENKA	717000	0.1580	0.0000	717000	0.1580	100.0000	0.0000
13	SOBHNA AGARWAL	630000	0.1388	0.0000	630000	0.1388	0.0000	0.0000
14	SASWAT GOENKA	580000	0.1278	0.0000	580000	0.1278	100.0000	0.0000
15	VIBHASH VARDHAN AGARWAL	573478	0.1263	0.0000	573478	0.1263	100.0000	0.0000
16	AMITABH GOENKA	3571496	0.7868	87.8539	571496	0.1259	0.0000	-0.6609
17	MANAN GOENKA	565000	0.1245	0.0000	565000	0.1245	100.0000	0.0000
18	DARSH GOENKA	565000	0.1245	0.0000	565000	0.1245	100.0000	0.0000
19	ADVAY GOENKA	554000	0.1220	0.0000	554000	0.1220	100.0000	0.0000
20	JYOTI AGARWAL	488000	0.1075	0.0000	488000	0.1075	0.0000	0.0000
21	RITU GOENKA	454930	0.1002	0.0000	454930	0.1002	0.0000	0.0000
22	DEVARSH GOENKA	407750	0.0898	0.0000	407750	0.0898	100.0000	0.0000
23	REYANSH GOENKA	407750	0.0898	0.0000	407750	0.0898	100.0000	0.0000
24	RADHESHYAM GOENKA	392076	0.0864	0.0000	392076	0.0864	100.0000	0.0000
25	CHIKKY GOENKA	371700	0.0819	0.0000	371700	0.0819	100.0000	0.0000
26	SMRITI AGARWAL	334000	0.0736	15.2695	334000	0.0736	71.8563	0.0000
27	RACHANA GOENKA	317700	0.0700	0.0000	317700	0.0700	100.0000	0.0000
28	RAJKUMAR GOENKA	297964	0.0656	0.0000	297964	0.0656	100.0000	0.0000
29	RACHNA BAGARIA	270000	0.0595	0.0000	270000	0.0595	0.0000	0.0000
30	INDU GOENKA	269700	0.0594	0.0000	269700	0.0594	0.0000	0.0000
31	NIKUNJ GOENKA	265000	0.0584	0.0000	265000	0.0584	0.0000	0.0000
32	YOGESH GOENKA	245400	0.0541	0.0000	245400	0.0541	0.0000	0.0000
33	NIMISHA GOENKA	244000	0.0538	0.0000	244000	0.0538	0.0000	0.0000
34	REHA GOENKA	240000	0.0529	0.0000	240000	0.0529	0.0000	0.0000
35	SHREYA GOENKA	230000	0.0507	0.0000	230000	0.0507	0.0000	0.0000
36	SAROJ GOENKA	215240	0.0474	0.0000	215240	0.0474	0.0000	0.0000
37	ADITYA VARDHAN AGARWAL	204278	0.0450	0.0000	204278	0.0450	0.0000	0.0000
38	SHRUTI GOENKA	196130	0.0432	0.0000	196130	0.0432	0.0000	0.0000
39	RADHESHYAM AGARWAL	195000	0.0430	0.0000	195000	0.0430	0.0000	0.0000
40	PRASHANT GOENKA	190000	0.0419	0.0000	190000	0.0419	0.0000	0.0000
41	MANISH GOENKA	174000	0.0383	0.0000	174000	0.0383	0.0000	0.0000
42	SUSHIL KUMAR GOENKA	174000	0.0383	0.0000	174000	0.0383	0.0000	0.0000
43	MOHAN GOENKA	174000	0.0383	0.0000	174000	0.0383	0.0000	0.0000
44	USHA AGARWAL	173096	0.0381	0.0000	173096	0.0381	0.0000	0.0000

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2019]			Shareholding at the end of the year [As on 31/Mar/2020]			% change in shareholding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
45	VIHAN VARDHAN AGARWAL	172000	0.0379	0.0000	172000	0.0379	0.0000	0.0000
46	HARSH VARDHAN AGARWAL	172000	0.0379	0.0000	172000	0.0379	0.0000	0.0000
47	PUJA GOENKA	169398	0.0373	0.0000	169398	0.0373	0.0000	0.0000
48	JAYANT GOENKA	156254	0.0344	0.0000	156254	0.0344	0.0000	0.0000
49	MANSI AGARWAL	150000	0.0330	0.0000	150000	0.0330	0.0000	0.0000
50	LAXMI DEVI BAJORIA	143000	0.0315	0.0000	143000	0.0315	0.0000	0.0000
51	MANISH GOENKA	142196	0.0313	0.0000	142196	0.0313	0.0000	0.0000
52	ADITYA VARDHAN AGARWAL	134668	0.0297	0.0000	134668	0.0297	0.0000	0.0000
53	ASHISH GOENKA	130000	0.0286	0.0000	130000	0.0286	0.0000	0.0000
54	RASHMI GOENKA	121400	0.0267	0.0000	121400	0.0267	0.0000	0.0000
55	SANTOSH GOENKA	115640	0.0255	0.0000	115640	0.0255	0.0000	0.0000
56	HARSHA VARDHAN AGARWAL	110266	0.0243	0.0000	110266	0.0243	0.0000	0.0000
57	SUSHIL KUMAR GOENKA	109900	0.0242	0.0000	109900	0.0242	0.0000	0.0000
58	RICHA AGARWAL	91722	0.0202	0.0000	91722	0.0202	0.0000	0.0000
59	EMAMI CAPITAL MARKETS LIMITED	0	0.0000	0.0000	84000	0.0185	0.0000	0.0185
60	VIDHISHREE AGARWAL	80000	0.0176	0.0000	80000	0.0176	0.0000	0.0000
61	VIDULA AGARWAL	80000	0.0176	0.0000	80000	0.0176	0.0000	0.0000
62	ASHISH GOENKA HUF	74000	0.0163	0.0000	74000	0.0163	0.0000	0.0000
63	PRASHANT GOENKA HUF	74000	0.0163	0.0000	74000	0.0163	0.0000	0.0000
64	JAYANT GOENKA	74000	0.0163	0.0000	74000	0.0163	0.0000	0.0000
65	AMITABH GOENKA	74000	0.0163	0.0000	74000	0.0163	0.0000	0.0000
66	MOHAN GOENKA	61900	0.0136	0.0000	61900	0.0136	0.0000	0.0000
67	MADAN LAL AGARWAL	60000	0.0132	0.0000	60000	0.0132	0.0000	0.0000
68	JYOTI GOENKA	48776	0.0107	0.0000	48776	0.0107	0.0000	0.0000
69	KUSUM AGARWAL	37800	0.0083	0.0000	37800	0.0083	0.0000	0.0000
70	PRADEEP AGARWAL	31150	0.0069	0.0000	31150	0.0069	0.0000	0.0000
71	DIVYA AGARWAL	26000	0.0057	0.0000	26000	0.0057	0.0000	0.0000
72	SANGITA AGARWAL	26000	0.0057	0.0000	26000	0.0057	0.0000	0.0000
73	SHUBHAM AGARWAL	24460	0.0054	0.0000	24460	0.0054	0.0000	0.0000
74	ABHISHEK AGARWAL	24000	0.0053	0.0000	24000	0.0053	0.0000	0.0000
75	DHIRAJ AGARWAL	16750	0.0037	0.0000	16750	0.0037	0.0000	0.0000
76	EMAMI FRANK ROSS LIMITED	10000	0.0022	0.0000	10000	0.0022	0.0000	0.0000
77	SUMANGAL AGARWAL	8200	0.0018	0.0000	8200	0.0018	0.0000	0.0000
78	VISHAL AGARWAL	8200	0.0018	0.0000	8200	0.0018	0.0000	0.0000
79	EPL SECURITIES LTD	84000	0.0185	0.0000	0	0.0000	0.0000	-0.0185
	TOTAL	284793412	62.7388	47.6831	239393412	52.7373	89.2450	-10.0015

iii) Change in Promoters' Shareholding

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	EPL SECURITIES LTD				
	01/04/19	84000	0.0185		
	20/09/2019 - Transfer	-84000	0.0185	0	0.0000
	31/03/20	0	0.0000	0	0.0000
2	EMAMI FRANK ROSS LIMITED				
	01/04/19	10000	0.0022		
	31/03/20	10000	0.0022	10000	0.0022
3	TMT VINIYOGAN LIMITED				
	01/04/19	9033160	1.9900		
	28/06/2019 - Transfer	-6000000	1.3218	3033160	0.6682
	31/03/20	3033160	0.6682	3033160	0.6682
4	BHANU VYAPAAR PRIVATE LIMITED				
	01/04/19	51045902	11.2452		
	28/06/2019 - Transfer	-7280000	1.6038	43765902	9.6414
	31/03/20	43765902	9.6414	43765902	9.6414
5	DIWAKAR VINIYOG PRIVATE LIMITED				
	01/04/19	58633849	12.9168		
	28/06/2019 - Transfer	-9100000	2.0047	49533849	10.9121
	31/03/20	49533849	10.9121	49533849	10.9121
6	EMAMI CAPITAL MARKETS LIMITED				
	01/04/19	0	0.0000		
	30/09/2019 - Transfer	84000	0.0185	84000	0.0185
	31/03/20	84000	0.0185	84000	0.0185
7	PRABHAKAR VINIYOG PRIVATE LIMITED				
	01/04/19	24131492	5.3161		
	28/06/2019 - Transfer	-3640000	0.8019	20491492	4.5142
	31/03/20	20491492	4.5142	20491492	4.5142
8	RAVIRAJ VINIYOG PRIVATE LIMITED				
	01/04/19	25096984	5.5288		
	28/06/2019 - Transfer	-3640000	0.8019	21456984	4.7269
	31/03/20	21456984	4.7269	21456984	4.7269
9	EMAMI PAPER MILLS LTD				
	01/04/19	933000	0.2055		
	31/03/20	933000	0.2055	933000	0.2055
10	RICHA AGARWAL				
	01/04/19	91722	0.0202		
	31/03/20	91722	0.0202	91722	0.0202
11	HARSH VARDHAN AGARWAL				
	01/04/19	172000	0.0379		
	31/03/20	172000	0.0379	172000	0.0379

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	SUNTRACK COMMERCE PRIVATE LIMITED				
	01/04/19	58234107	12.8287		
	28/06/2019 - Transfer	-9100000	2.0047	49134107	10.8240
	31/03/20	49134107	10.8240	49134107	10.8240
13	MOHAN GOENKA				
	01/04/19	174000	0.0383		
	31/03/20	174000	0.0383	174000	0.0383
14	JAYANT GOENKA				
	01/04/19	74000	0.0163		
	31/03/20	74000	0.0163	74000	0.0163
15	MANSI AGARWAL				
	01/04/19	150000	0.0330		
	31/03/20	150000	0.0330	150000	0.0330
16	ADITYA VARDHAN AGARWAL				
	01/04/19	204278	0.0450		
	31/03/20	204278	0.0450	204278	0.0450
17	SURAJ VINIYOG PRIVATE LIMITED				
	01/04/19	23645848	5.2091		
	28/06/2019 - Transfer	-3640000	0.8019	20005848	4.4072
	31/03/20	20005848	4.4072	20005848	4.4072
18	RASHMI GOENKA				
	01/04/19	121400	0.0267		
	31/03/20	121400	0.0267	121400	0.0267
19	ASHISH GOENKA HUF				
	01/04/19	74000	0.0163		
	31/03/20	74000	0.0163	74000	0.0163
20	PRASHANT GOENKA HUF				
	01/04/19	74000	0.0163		
	31/03/20	74000	0.0163	74000	0.0163
21	MANISH GOENKA				
	01/04/19	174000	0.0383		
	31/03/20	174000	0.0383	174000	0.0383
22	SUSHIL KUMAR GOENKA				
	01/04/19	174000	0.0383		
	31/03/20	174000	0.0383	174000	0.0383
23	AMITABH GOENKA				
	01/04/19	74000	0.0163		
	31/03/20	74000	0.0163	74000	0.0163
24	DIVYA AGARWAL				
	01/04/19	26000	0.0057		
	31/03/20	26000	0.0057	26000	0.0057

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
25	JYOTI AGARWAL				
	01/04/19	488000	0.1075		
	31/03/20	488000	0.1075	488000	0.1075
26	KUSUM AGARWAL				
	01/04/19	37800	0.0083		
	31/03/20	37800	0.0083	37800	0.0083
27	MADAN LAL AGARWAL				
	01/04/19	60000	0.0132		
	31/03/20	60000	0.0132	60000	0.0132
28	DHIRAJ AGARWAL				
	01/04/19	16750	0.0037		
	31/03/20	16750	0.0037	16750	0.0037
29	SANGITA AGARWAL				
	01/04/19	26000	0.0057		
	31/03/20	26000	0.0057	26000	0.0057
30	ADITYA VARDHAN AGARWAL				
	01/04/19	134668	0.0297		
	31/03/20	134668	0.0297	134668	0.0297
31	SOBHNA AGARWAL				
	01/04/19	630000	0.1388		
	31/03/20	630000	0.1388	630000	0.1388
32	USHA AGARWAL				
	01/04/19	173096	0.0381		
	31/03/20	173096	0.0381	173096	0.0381
33	HARSHA VARDHAN AGARWAL				
	01/04/19	110266	0.0243		
	31/03/20	110266	0.0243	110266	0.0243
34	AMITABH GOENKA				
	01/04/19	3571496	0.7868		
	28/06/2019 - Transfer	-3000000	0.6609	571496	0.1259
	31/03/20	571496	0.1259	571496	0.1259
35	RITU GOENKA				
	01/04/19	454930	0.1002		
	31/03/20	454930	0.1002	454930	0.1002
36	RACHNA BAGARIA				
	01/04/19	270000	0.0595		
	31/03/20	270000	0.0595	270000	0.0595
37	ABHISHEK AGARWAL				
	01/04/19	24000	0.0053		
	31/03/20	24000	0.0053	24000	0.0053
38	SMRITI AGARWAL				
	01/04/19	334000	0.0736		
	31/03/20	334000	0.0736	334000	0.0736

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
39	JAYANT GOENKA				
	01/04/19	156254	0.0344		
	31/03/20	156254	0.0344	156254	0.0344
40	INDU GOENKA				
	01/04/19	269700	0.0594		
	31/03/20	269700	0.0594	269700	0.0594
41	PRASHANT GOENKA				
	01/04/19	190000	0.0419		
	31/03/20	190000	0.0419	190000	0.0419
42	SAROJ GOENKA				
	01/04/19	215240	0.0474		
	31/03/20	215240	0.0474	215240	0.0474
43	MANISH GOENKA				
	01/04/19	142196	0.0313		
	31/03/20	142196	0.0313	142196	0.0313
44	YOGESH GOENKA				
	01/04/19	245400	0.0541		
	31/03/20	245400	0.0541	245400	0.0541
45	SANTOSH GOENKA				
	01/04/19	115640	0.0255		
	31/03/20	115640	0.0255	115640	0.0255
46	MOHAN GOENKA				
	01/04/19	61900	0.0136		
	31/03/20	61900	0.0136	61900	0.0136
47	RAJKUMAR GOENKA				
	01/04/19	297964	0.0656		
	31/03/20	297964	0.0656	297964	0.0656
48	RADHESHYAM GOENKA				
	01/04/19	392076	0.0864		
	31/03/20	392076	0.0864	392076	0.0864
49	RACHANA GOENKA				
	01/04/19	317700	0.0700		
	31/03/20	317700	0.0700	317700	0.0700
50	JYOTI GOENKA				
	01/04/19	48776	0.0107		
	31/03/20	48776	0.0107	48776	0.0107
51	SHRUTI GOENKA				
	01/04/19	196130	0.0432		
	31/03/20	196130	0.0432	196130	0.0432
52	PRADEEP AGARWAL				
	01/04/19	31150	0.0069		
	31/03/20	31150	0.0069	31150	0.0069

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
53	RADHESHYAM AGARWAL				
	01/04/19	195000	0.0430		
	31/03/20	195000	0.0430	195000	0.0430
54	PUJA GOENKA				
	01/04/19	169398	0.0373		
	31/03/20	169398	0.0373	169398	0.0373
55	ASHISH GOENKA				
	01/04/19	130000	0.0286		
	31/03/20	130000	0.0286	130000	0.0286
56	SUSHIL KUMAR GOENKA				
	01/04/19	109900	0.0242		
	31/03/20	109900	0.0242	109900	0.0242
57	LAXMI DEVI BAJORIA				
	01/04/19	143000	0.0315		
	31/03/20	143000	0.0315	143000	0.0315
58	VIHAN VARDHAN AGARWAL				
	01/04/19	172000	0.0379		
	31/03/20	172000	0.0379	172000	0.0379
59	VIDHISHREE AGARWAL				
	01/04/19	80000	0.0176		
	31/03/20	80000	0.0176	80000	0.0176
60	VIDULA AGARWAL				
	01/04/19	80000	0.0176		
	31/03/20	80000	0.0176	80000	0.0176
61	VIBHASH VARDHAN AGARWAL				
	01/04/19	573478	0.1263		
	31/03/20	573478	0.1263	573478	0.1263
62	PRITI A SUREKA				
	01/04/19	11609702	2.5576		
	31/03/20	11609702	2.5576	11609702	2.5576
63	CHIKKY GOENKA				
	01/04/19	371700	0.0819		
	31/03/20	371700	0.0819	371700	0.0819
64	SASWAT GOENKA				
	01/04/19	580000	0.1278		
	31/03/20	580000	0.1278	580000	0.1278
65	NIMISHA GOENKA				
	01/04/19	244000	0.0538		
	31/03/20	244000	0.0538	244000	0.0538
66	SHREYA GOENKA				
	01/04/19	230000	0.0507		
	31/03/20	230000	0.0507	230000	0.0507

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
67	SACHIN GOENKA				
	01/04/19	717000	0.1580		
	31/03/20	717000	0.1580	717000	0.1580
68	DEVARSH GOENKA				
	01/04/19	407750	0.0898		
	31/03/20	407750	0.0898	407750	0.0898
69	MANAN GOENKA				
	01/04/19	565000	0.1245		
	31/03/20	565000	0.1245	565000	0.1245
70	SUMANGAL AGARWAL				
	01/04/19	8200	0.0018		
	31/03/20	8200	0.0018	8200	0.0018
71	VISHAL AGARWAL				
	01/04/19	8200	0.0018		
	31/03/20	8200	0.0018	8200	0.0018
72	SHUBHAM AGARWAL				
	01/04/19	24460	0.0054		
	31/03/20	24460	0.0054	24460	0.0054
73	REHA GOENKA				
	01/04/19	240000	0.0529		
	31/03/20	240000	0.0529	240000	0.0529
74	AVISHI SUREKA				
	01/04/19	1400000	0.3084		
	31/03/20	1400000	0.3084	1400000	0.3084
75	ROHIN RAJ SUREKA				
	01/04/19	3500000	0.7710		
	31/03/20	3500000	0.7710	3500000	0.7710
76	DARSH GOENKA				
	01/04/19	565000	0.1245		
	31/03/20	565000	0.1245	565000	0.1245
77	REYANSH GOENKA				
	01/04/19	407750	0.0898		
	31/03/20	407750	0.0898	407750	0.0898
78	ADVAY GOENKA				
	01/04/19	554000	0.1220		
	31/03/20	554000	0.1220	554000	0.1220
79	NIKUNJ GOENKA				
	01/04/19	265000	0.0584		
	31/03/20	265000	0.0584	265000	0.0584

Note: Transfers on 28.06.2019 indicate sale of shares by the promoters and transfer on 20.09.2019 & 30.09.2019 is as per scheme of merger of EPL Securities Ltd. & Emami Capital Markets Ltd.

iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	HDFC LIFE INSURANCE COMPANY LIMITED *				
	01/04/19	2621658	0.5775		
	05/04/2019 - Transfer	72088	0.0159	2693746	0.5934
	03/05/2019 - Transfer	2912	0.0006	2696658	0.5941
	07/06/2019 - Transfer	-6919	0.0015	2689739	0.5925
	21/06/2019 - Transfer	26105	0.0058	2715844	0.5983
	28/06/2019 - Transfer	713172	0.1571	3429016	0.7554
	05/07/2019 - Transfer	-54153	0.0119	3374863	0.7435
	19/07/2019 - Transfer	-8058	0.0018	3366805	0.7417
	02/08/2019 - Transfer	-23	0.0000	3366782	0.7417
	09/08/2019 - Transfer	-21088	0.0046	3345694	0.7370
	16/08/2019 - Transfer	-87	0.0000	3345607	0.7370
	23/08/2019 - Transfer	-84	0.0000	3345523	0.7370
	30/08/2019 - Transfer	-582	0.0001	3344941	0.7369
	06/09/2019 - Transfer	-205	0.0000	3344736	0.7368
	20/09/2019 - Transfer	-1070	0.0002	3343666	0.7366
	27/09/2019 - Transfer	-79	0.0000	3343587	0.7366
	30/09/2019 - Transfer	1700000	0.3745	5043587	1.1111
	04/10/2019 - Transfer	4420	0.0010	5048007	1.1121
	11/10/2019 - Transfer	646019	0.1423	5694026	1.2544
	18/10/2019 - Transfer	120	0.0000	5694146	1.2544
	25/10/2019 - Transfer	-4758	0.0010	5689388	1.2533
	08/11/2019 - Transfer	-1456	0.0003	5687932	1.2530
	15/11/2019 - Transfer	75	0.0000	5688007	1.2530
	22/11/2019 - Transfer	561	0.0001	5688568	1.2532
	29/11/2019 - Transfer	243651	0.0537	5932219	1.3068
	06/12/2019 - Transfer	25982	0.0057	5958201	1.3126
	13/12/2019 - Transfer	80667	0.0178	6038868	1.3303
	20/12/2019 - Transfer	200	0.0000	6039068	1.3304
	27/12/2019 - Transfer	3692	0.0008	6042760	1.3312
	03/01/2020 - Transfer	150	0.0000	6042910	1.3312
	10/01/2020 - Transfer	25171	0.0055	6068081	1.3368
	17/01/2020 - Transfer	250	0.0001	6068331	1.3368
	24/01/2020 - Transfer	-28613	0.0063	6039718	1.3305
	31/01/2020 - Transfer	600350	0.1323	6640068	1.4628
	07/02/2020 - Transfer	56455	0.0124	6696523	1.4752
	14/02/2020 - Transfer	144295	0.0318	6840818	1.5070
	21/02/2020 - Transfer	155250	0.0342	6996068	1.5412
	28/02/2020 - Transfer	150487	0.0332	7146555	1.5744
	06/03/2020 - Transfer	450863	0.0993	7597418	1.6737

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	13/03/2020 - Transfer	180837	0.0398	7778255	1.7135
	20/03/2020 - Transfer	420663	0.0927	8198918	1.8062
	27/03/2020 - Transfer	240655	0.0530	8439573	1.8592
	31/03/2020 - Transfer	1556	0.0003	8441129	1.8595
2	DSP DUAL ADVANTAGE FUND - SERIES 49 - 42M				
	01/04/19	4148949	0.9140		
	14/06/2019 - Transfer	183859	0.0405	4332808	0.9545
	21/06/2019 - Transfer	978	0.0002	4333786	0.9547
	28/06/2019 - Transfer	-376	0.0001	4333410	0.9546
	05/07/2019 - Transfer	459	0.0001	4333869	0.9547
	12/07/2019 - Transfer	81141	0.0179	4415010	0.9726
	19/07/2019 - Transfer	85158	0.0188	4500168	0.9914
	26/07/2019 - Transfer	500	0.0001	4500668	0.9915
	02/08/2019 - Transfer	46	0.0000	4500714	0.9915
	09/08/2019 - Transfer	8896	0.0020	4509610	0.9934
	16/08/2019 - Transfer	329014	0.0725	4838624	1.0659
	23/08/2019 - Transfer	170643	0.0376	5009267	1.1035
	30/08/2019 - Transfer	283592	0.0625	5292859	1.1660
	06/09/2019 - Transfer	220	0.0000	5293079	1.1660
	13/09/2019 - Transfer	2305589	0.5079	7598668	1.6740
	20/09/2019 - Transfer	3218284	0.7090	10816952	2.3829
	27/09/2019 - Transfer	-10	0.0000	10816942	2.3829
	04/10/2019 - Transfer	652828	0.1438	11469770	2.5267
	11/10/2019 - Transfer	824812	0.1817	12294582	2.7084
	18/10/2019 - Transfer	594902	0.1311	12889484	2.8395
	01/11/2019 - Transfer	969978	0.2137	13859462	3.0532
	08/11/2019 - Transfer	56230	0.0124	13915692	3.0656
	06/12/2019 - Transfer	522079	0.1150	14437771	3.1806
	13/12/2019 - Transfer	820941	0.1808	15258712	3.3614
	27/12/2019 - Transfer	73438	0.0162	15332150	3.3776
	03/01/2020 - Transfer	9382	0.0021	15341532	3.3797
	07/02/2020 - Transfer	1363770	0.3004	16705302	3.6801
	13/03/2020 - Transfer	-192389	0.0424	16512913	3.6377
	31/03/2020 - Transfer	966113	0.2128	17479026	3.8506
3	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE BALANCED				
	01/04/19	7672975	1.6903		
	12/04/2019 - Transfer	-77000	0.0170	7595975	1.6734
	26/04/2019 - Transfer	-74500	0.0164	7521475	1.6569

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	03/05/2019 - Transfer	-24200	0.0053	7497275	1.6516
	21/06/2019 - Transfer	-23700	0.0052	7473575	1.6464
	28/06/2019 - Transfer	6966600	1.5347	14440175	3.1811
	05/07/2019 - Transfer	-106375	0.0234	14333800	3.1577
	12/07/2019 - Transfer	-472500	0.1041	13861300	3.0536
	19/07/2019 - Transfer	-238544	0.0526	13622756	3.0010
	26/07/2019 - Transfer	-300000	0.0661	13322756	2.9349
	09/08/2019 - Transfer	-1618	0.0004	13321138	2.9346
	16/08/2019 - Transfer	-35000	0.0077	13286138	2.9269
	23/08/2019 - Transfer	-13368	0.0029	13272770	2.9239
	30/08/2019 - Transfer	-52000	0.0115	13220770	2.9125
	20/09/2019 - Transfer	-102000	0.0225	13118770	2.8900
	18/10/2019 - Transfer	-123719	0.0273	12995051	2.8628
	25/10/2019 - Transfer	-300000	0.0661	12695051	2.7967
	06/12/2019 - Transfer	-108000	0.0238	12587051	2.7729
	20/12/2019 - Transfer	-215000	0.0474	12372051	2.7255
	27/12/2019 - Transfer	-321311	0.0708	12050740	2.6547
	24/01/2020 - Transfer	-100000	0.0220	11950740	2.6327
	31/01/2020 - Transfer	-12814	0.0028	11937926	2.6299
	07/02/2020 - Transfer	-336286	0.0741	11601640	2.5558
	14/02/2020 - Transfer	-1503	0.0003	11600137	2.5555
	21/02/2020 - Transfer	-51882	0.0114	11548255	2.5440
	28/02/2020 - Transfer	103890	0.0229	11652145	2.5669
	06/03/2020 - Transfer	22909	0.0050	11675054	2.5720
	20/03/2020 - Transfer	80348	0.0177	11755402	2.5897
	27/03/2020 - Transfer	99055	0.0218	11854457	2.6115
	31/03/2020 - Transfer	60000	0.0132	11914457	2.6247
4	L AND T MUTUAL FUND TRUSTEE LIMITED - L AND T HYBRID EQUITY FUND				
	01/04/19	8256540	1.8189		
	17/05/2019 - Transfer	121500	0.0268	8378040	1.8456
	28/06/2019 - Transfer	5398268	1.1892	13776308	3.0349
	19/07/2019 - Transfer	-48808	0.0108	13727500	3.0241
	26/07/2019 - Transfer	-1000	0.0002	13726500	3.0239
	02/08/2019 - Transfer	15000	0.0033	13741500	3.0272
	09/08/2019 - Transfer	-78442	0.0173	13663058	3.0099
	23/08/2019 - Transfer	-33000	0.0073	13630058	3.0026
	30/08/2019 - Transfer	-620554	0.1367	13009504	2.8659
	06/09/2019 - Transfer	-69000	0.0152	12940504	2.8507
	13/09/2019 - Transfer	-700000	0.1542	12240504	2.6965
	27/09/2019 - Transfer	321525	0.0708	12562029	2.7674
	11/10/2019 - Transfer	168000	0.0370	12730029	2.8044

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	18/10/2019 - Transfer	89074	0.0196	12819103	2.8240
	25/10/2019 - Transfer	955531	0.2105	13774634	3.0345
	08/11/2019 - Transfer	-34228	0.0075	13740406	3.0270
	10/01/2020 - Transfer	-17863	0.0039	13722543	3.0230
	24/01/2020 - Transfer	650000	0.1432	14372543	3.1662
	31/01/2020 - Transfer	-14277	0.0031	14358266	3.1631
	06/03/2020 - Transfer	-200000	0.0441	14158266	3.1190
	31/03/20	14158266	3.1190	14158266	3.1190
5	SUNDARAM MUTUAL FUND A/C SUNDARAM DIVERSIFIED EQUITY				
	01/04/19	2833730	0.6243		
	10/05/2019 - Transfer	-177925	0.0392	2655805	0.5851
	17/05/2019 - Transfer	-329154	0.0725	2326651	0.5126
	24/05/2019 - Transfer	-49132	0.0108	2277519	0.5017
	28/06/2019 - Transfer	1755934	0.3868	4033453	0.8886
	13/09/2019 - Transfer	-11686	0.0026	4021767	0.8860
	18/10/2019 - Transfer	16000	0.0035	4037767	0.8895
	25/10/2019 - Transfer	373426	0.0823	4411193	0.9718
	15/11/2019 - Transfer	87846	0.0194	4499039	0.9911
	22/11/2019 - Transfer	2948	0.0006	4501987	0.9918
	29/11/2019 - Transfer	5000	0.0011	4506987	0.9929
	13/12/2019 - Transfer	8810	0.0019	4515797	0.9948
	31/12/2019 - Transfer	11647	0.0026	4527444	0.9974
	10/01/2020 - Transfer	37868	0.0083	4565312	1.0057
	24/01/2020 - Transfer	289044	0.0637	4854356	1.0694
	06/03/2020 - Transfer	-1370	0.0003	4852986	1.0691
	20/03/2020 - Transfer	-33153	0.0073	4819833	1.0618
	31/03/20	4819833	1.0618	4819833	1.0618
6	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA FUND				
	01/04/19	3670000	0.8085		
	03/05/2019 - Transfer	25000	0.0055	3695000	0.8140
	24/05/2019 - Transfer	150000	0.0330	3845000	0.8470
	31/05/2019 - Transfer	120000	0.0264	3965000	0.8735
	06/09/2019 - Transfer	10000	0.0022	3975000	0.8757
	13/09/2019 - Transfer	20000	0.0044	3995000	0.8801
	28/02/2020 - Transfer	100000	0.0220	4095000	0.9021
	20/03/2020 - Transfer	100000	0.0220	4195000	0.9241
	31/03/20	4195000	0.9241	4195000	0.9241

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	UTI - CAPITAL PROTECTION ORIENTED SCHEME - SERIES VII - IV (1278 DAYS)				
	01/04/19	4009872	0.8834		
	05/04/2019 - Transfer	-145000	0.0319	3864872	0.8514
	12/04/2019 - Transfer	-302700	0.0667	3562172	0.7847
	19/04/2019 - Transfer	-10000	0.0022	3552172	0.7825
	26/04/2019 - Transfer	-20000	0.0044	3532172	0.7781
	03/05/2019 - Transfer	6805	0.0015	3538977	0.7796
	10/05/2019 - Transfer	-85000	0.0187	3453977	0.7609
	17/05/2019 - Transfer	-25000	0.0055	3428977	0.7554
	31/05/2019 - Transfer	-79040	0.0174	3349937	0.7380
	07/06/2019 - Transfer	-15000	0.0033	3334937	0.7347
	14/06/2019 - Transfer	-42400	0.0093	3292537	0.7253
	28/06/2019 - Transfer	753522	0.1660	4046059	0.8913
	12/07/2019 - Transfer	391891	0.0863	4437950	0.9777
	19/07/2019 - Transfer	197929	0.0436	4635879	1.0213
	26/07/2019 - Transfer	46681	0.0103	4682560	1.0315
	02/08/2019 - Transfer	205867	0.0454	4888427	1.0769
	06/09/2019 - Transfer	50000	0.0110	4938427	1.0879
	13/09/2019 - Transfer	347244	0.0765	5285671	1.1644
	20/09/2019 - Transfer	1037636	0.2286	6323307	1.3930
	27/09/2019 - Transfer	378281	0.0833	6701588	1.4763
	04/10/2019 - Transfer	22922	0.0050	6724510	1.4814
	18/10/2019 - Transfer	-26525	0.0058	6697985	1.4755
	25/10/2019 - Transfer	117346	0.0259	6815331	1.5014
	01/11/2019 - Transfer	198920	0.0438	7014251	1.5452
	08/11/2019 - Transfer	125000	0.0275	7139251	1.5727
	13/12/2019 - Transfer	66305	0.0146	7205556	1.5874
	20/12/2019 - Transfer	126099	0.0278	7331655	1.6151
	17/01/2020 - Transfer	91813	0.0202	7423468	1.6354
	24/01/2020 - Transfer	103220	0.0227	7526688	1.6581
	07/02/2020 - Transfer	46300	0.0102	7572988	1.6683
	28/02/2020 - Transfer	154284	0.0340	7727272	1.7023
	06/03/2020 - Transfer	56630	0.0125	7783902	1.7148
	20/03/2020 - Transfer	64526	0.0142	7848428	1.7290
	27/03/2020 - Transfer	47	0.0000	7848475	1.7290
	31/03/20	7848475	1.7290	7848475	1.7290
8	BMO INVESTMENTS II (IRELAND) PUBLIC LIMITED COMPANY - BMO LGM GLOBAL EMERGING MA				
	01/04/19	3878058	0.8543		
	24/05/2019 - Transfer	-236919	0.0522	3641139	0.8021

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	31/05/2019 - Transfer	127000	0.0280	3768139	0.8301
	13/09/2019 - Transfer	-2592	0.0006	3765547	0.8295
	27/09/2019 - Transfer	-114870	0.0253	3650677	0.8042
	11/10/2019 - Transfer	-8323	0.0018	3642354	0.8024
	18/10/2019 - Transfer	-217191	0.0478	3425163	0.7545
	25/10/2019 - Transfer	-332754	0.0733	3092409	0.6812
	01/11/2019 - Transfer	-148830	0.0328	2943579	0.6485
	08/11/2019 - Transfer	-123304	0.0272	2820275	0.6213
	13/12/2019 - Transfer	-2723	0.0006	2817552	0.6207
	10/01/2020 - Transfer	-71008	0.0156	2746544	0.6051
	24/01/2020 - Transfer	-238986	0.0526	2507558	0.5524
	31/01/2020 - Transfer	-83156	0.0183	2424402	0.5341
	07/02/2020 - Transfer	-375068	0.0826	2049334	0.4515
	14/02/2020 - Transfer	-156375	0.0344	1892959	0.4170
	06/03/2020 - Transfer	-129609	0.0286	1763350	0.3885
	13/03/2020 - Transfer	-44787	0.0099	1718563	0.3786
	20/03/2020 - Transfer	-149228	0.0329	1569335	0.3457
	31/03/20	1569335	0.3457	1569335	0.3457
9	MATTHEWS INDIA FUND #				
	01/04/19	4500244	0.9914		
	07/06/2019 - Transfer	-195325	0.0430	4304919	0.9484
	14/06/2019 - Transfer	-250817	0.0553	4054102	0.8931
	21/06/2019 - Transfer	-470613	0.1037	3583489	0.7894
	28/06/2019 - Transfer	-3583489	0.7894	0	0.0000
	31/03/20	0	0.0000	0	0.0000
10	PI OPPORTUNITIES FUND I				
	01/04/19	5633000	1.2409		
	31/03/20	5633000	1.2409	5633000	1.2409
11	SBI CONSUMPTION OPPORTUNITIES FUND				
	01/04/19	23305013	5.1340		
	28/06/2019 - Transfer	16643716	3.6665	39948729	8.8005
	19/07/2019 - Transfer	-77716	0.0171	39871013	8.7834
	02/08/2019 - Transfer	-1415230	0.3118	38455783	8.4716
	09/08/2019 - Transfer	-2170787	0.4782	36284996	7.9934
	16/08/2019 - Transfer	-61890	0.0136	36223106	7.9798
	20/09/2019 - Transfer	-550852	0.1214	35672254	7.8584
	27/09/2019 - Transfer	-2267798	0.4996	33404456	7.3589
	30/09/2019 - Transfer	-60085	0.0132	33344371	7.3456
	04/10/2019 - Transfer	-648248	0.1428	32696123	7.2028

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	18/10/2019 - Transfer	-149049	0.0328	32547074	7.1700
	25/10/2019 - Transfer	-41846	0.0092	32505228	7.1608
	17/01/2020 - Transfer	-29077	0.0064	32476151	7.1544
	24/01/2020 - Transfer	-99649	0.0220	32376502	7.1324
	31/01/2020 - Transfer	-9452	0.0021	32367050	7.1303
	21/02/2020 - Transfer	-601918	0.1326	31765132	6.9977
	28/02/2020 - Transfer	-377534	0.0832	31387598	6.9146
	20/03/2020 - Transfer	99101	0.0218	31486699	6.9364
	31/03/20	31486699	6.9364	31486699	6.9364
12	AMUNDI FUNDS SBI FM EQUITY INDIA #				
	01/04/19	3945000	0.8691		
	13/12/2019 - Transfer	-817106	0.1800	3127894	0.6891
	20/12/2019 - Transfer	-71267	0.0157	3056627	0.6734
	27/12/2019 - Transfer	-16472	0.0036	3040155	0.6697
	03/01/2020 - Transfer	-87417	0.0193	2952738	0.6505
	21/02/2020 - Transfer	-55967	0.0123	2896771	0.6381
	28/02/2020 - Transfer	-37861	0.0083	2858910	0.6298
	31/03/20	2858910	0.6298	2858910	0.6298
13	MIRAE ASSET EMERGING BLUECHIP FUND *				
	01/04/19	0	0.0000		
	28/06/2019 - Transfer	1175511	0.2590	1175511	0.2590
	05/07/2019 - Transfer	1026190	0.2261	2201701	0.4850
	12/07/2019 - Transfer	954385	0.2102	3156086	0.6953
	19/07/2019 - Transfer	231700	0.0510	3387786	0.7463
	26/07/2019 - Transfer	30000	0.0066	3417786	0.7529
	02/08/2019 - Transfer	420000	0.0925	3837786	0.8454
	09/08/2019 - Transfer	181634	0.0400	4019420	0.8855
	16/08/2019 - Transfer	59445	0.0131	4078865	0.8986
	23/08/2019 - Transfer	850153	0.1873	4929018	1.0858
	30/08/2019 - Transfer	28000	0.0062	4957018	1.0920
	06/09/2019 - Transfer	89223	0.0197	5046241	1.1117
	13/09/2019 - Transfer	157079	0.0346	5203320	1.1463
	20/09/2019 - Transfer	632938	0.1394	5836258	1.2857
	27/09/2019 - Transfer	40000	0.0088	5876258	1.2945
	30/09/2019 - Transfer	30000	0.0066	5906258	1.3011
	11/10/2019 - Transfer	105000	0.0231	6011258	1.3243
	18/10/2019 - Transfer	105138	0.0232	6116396	1.3474
	22/11/2019 - Transfer	43982	0.0097	6160378	1.3571
	29/11/2019 - Transfer	38815	0.0086	6199193	1.3657
	06/12/2019 - Transfer	104884	0.0231	6304077	1.3888

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	13/12/2019 - Transfer	313154	0.0690	6617231	1.4577
	20/12/2019 - Transfer	240965	0.0531	6858196	1.5108
	27/12/2019 - Transfer	155308	0.0342	7013504	1.5450
	31/12/2019 - Transfer	35000	0.0077	7048504	1.5528
	03/01/2020 - Transfer	1143	0.0003	7049647	1.5530
	10/01/2020 - Transfer	464844	0.1024	7514491	1.6554
	17/01/2020 - Transfer	147166	0.0324	7661657	1.6878
	24/01/2020 - Transfer	30000	0.0066	7691657	1.6944
	31/01/2020 - Transfer	120000	0.0264	7811657	1.7209
	07/02/2020 - Transfer	255000	0.0562	8066657	1.7771
	14/02/2020 - Transfer	130000	0.0286	8196657	1.8057
	28/02/2020 - Transfer	435104	0.0959	8631761	1.9015
	06/03/2020 - Transfer	180000	0.0397	8811761	1.9412
	13/03/2020 - Transfer	211848	0.0467	9023609	1.9879
	20/03/2020 - Transfer	1176659	0.2592	10200268	2.2471
	27/03/2020 - Transfer	225303	0.0496	10425571	2.2967
	31/03/2020 - Transfer	1826189	0.4023	12251760	2.6990
14	PIONEER INVESTMENT FUND				
	01/04/19	11267000	2.4821		
	31/03/20	11267000	2.4821	11267000	2.4821
15	AVEES TRADING AND FINANCE PRIVATE LIMITED				
	01/04/19	7558336	1.6651		
	17/05/2019 - Transfer	166261	0.0366	7724597	1.7017
	24/05/2019 - Transfer	180000	0.0397	7904597	1.7413
	21/06/2019 - Transfer	13442	0.0030	7918039	1.7443
	30/08/2019 - Transfer	-2780	0.0006	7915259	1.7437
	13/09/2019 - Transfer	-250000	0.0551	7665259	1.6886
	20/09/2019 - Transfer	-386000	0.0850	7279259	1.6036
	24/01/2020 - Transfer	450000	0.0991	7729259	1.7027
	31/03/20	7729259	1.7027	7729259	1.7027

* Not in the list of Top 10 shareholders as on 01/04/2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2020.

Ceased to be in the list of Top 10 shareholders as on 31/03/2020. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2019.

v) Shareholding of Directors and Key Managerial Personnel

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SHRI RADHESHYAM AGARWAL EXECUTIVE CHAIRMAN				
	01/04/19	195000	0.0430		
	31/03/20	195000	0.0430	195000	0.0430
2	SHRI RADHESHYAM GOENKA WHOLETIME DIRECTOR				
	01/04/19	392076	0.0864		
	31/03/20	392076	0.0864	392076	0.0864
3	DR KASHI NATH MEMANI INDEPENDENT DIRECTOR				
	01/04/19	-	-	-	-
	31/03/20	-	-	-	-
4	DR YOGENDRA P TRIVEDI INDEPENDENT DIRECTOR				
	01/04/19	-	-	-	-
	31/03/20	-	-	-	-
5	SHRI PRADIP KUMAR KHAITAN INDEPENDENT DIRECTOR				
	01/04/19	-	-	-	-
	31/03/20	-	-	-	-
6	SHRI AMIT KIRAN DEB INDEPENDENT DIRECTOR				
	01/04/19	-	-	-	-
	31/03/20	-	-	-	-
7	SHRI SATYABRATA GANGULY INDEPENDENT DIRECTOR				
	01/04/19	-	-	-	-
	31/03/20	-	-	-	-
8	SHRI CHANDRA KUMAR DHANUKA INDEPENDENT DIRECTOR				
	01/04/19	-	-	-	-
	31/03/20	-	-	-	-
9	SMT. RAMA BIJAPURKAR INDEPENDENT DIRECTOR				
	01/04/19	-	-	-	-
	31/03/20	-	-	-	-
10	SHRI DEBABRATA SARKAR INDEPENDENT DIRECTOR				
	01/04/19	-	-	-	-
	31/03/20	-	-	-	-
11	SHRI SUSHIL KUMAR GOENKA MANAGING DIRECTOR				
	01/04/19	109900	0.0242		
	31/03/20	109900	0.0242	109900	0.0242
12	SHRI MOHAN GOENKA WHOLETIME DIRECTOR				
	01/04/19	61900	0.0136		
	31/03/20	61900	0.0136	61900	0.0136

Sl No	Name	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
13	SHRI ADITYA VARDHAN AGARWAL NON-EXECUTIVE DIRECTOR				
	01/04/19	134668	0.0297		
	31/03/20	134668	0.0297	134668	0.0297
14	SHRI HARSHA VARDHAN AGARWAL WHOLETIME DIRECTOR				
	01/04/19	110266	0.0243		
	31/03/20	110266	0.0243	110266	0.0243
15	SMT PRITI A SUREKA WHOLETIME DIRECTOR				
	01/04/19	11609702	2.5576		
	31/03/20	11609702	2.5576	11609702	2.5576
16	SHRI PRASHANT GOENKA WHOLETIME DIRECTOR				
	01/04/19	190000	0.0419		
	31/03/20	190000	0.0419	190000	0.0419
17	SHRI NARESH HIRALAL BHANSALI CHIEF FINANCIAL OFFICER				
	01/04/19	67476	0.0149		
	31/03/20	67476	0.0149	67476	0.0149
18	SHRI ARUN KUMAR JOSHI COMPANY SECRETARY				
	01/04/19	1800	0.0004		
	28/06/2019 - Transfer	300	0.0001	2100	0.0005
	31/03/20	2100	0.0005	2100	0.0005

vi) Indebtedness as at 31st March, 2020

₹ in Lac

	Secured Loans excluding deposits		Unsecured Loans	Deposits*	Total
	Term Loan	Cash credit			
Indebtedness at the beginning of the financial year					
i) Principal Amount	-	5,434.06	-	689.56	6,123.62
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	30.19	-	8.03	38.22
Total (i+ii+iii)	0.00	5,464.25	-	697.59	6,161.84
Change in Indebtedness during the financial year					
- Addition	-	5,529.77	11,002.67	102.68	16,635.12
- Reduction	-	5,697.39	448.59	-	6,145.98
Net Change	0.00	(167.62)	10,554.08	102.68	10,489.14
Indebtedness at the end of the financial year					
i) Principal Amount	-	5,292.98	10,531.52	792.24	16,616.74
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	3.65	22.56	8.03	34.24
Total (i+ii+iii)	0.00	5,296.63	10,554.08	800.27	16,650.98

* Trade Deposits

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

₹ in Lac

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager							Total
		Shri R.S. Agarwal	Shri R.S. Goenka	Shri S.K. Goenka	Shri Mohan Goenka	Shri H. V. Agarwal	Smt. Priti A Sureka	Shri Prashant Goenka	
1	Gross salary								
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	396.00	396.00	126.00	108.00	108.00	108.00	108.00	1,350.00
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.40	0.40	0.22	8.80	0.40	0.40	0.40	11.02
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961					-			-
2	Stock Option	-	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-	-
4	Commission	250.00	250.00						500.00
	- as % of profit	-	-	-	-	-	-	-	-
	- others, specify.	-	-	-	-	-	-	-	-
5	Others: contribution to PF	47.52	47.52	15.12	12.96	12.96	12.96	12.96	162.00
	Total (A)	693.92	693.92	141.34	129.76	121.36	121.36	121.36	2,023.02
	Ceiling as per the Act								

B. Remuneration to other directors

₹ in Lac

Sl. No.	Independent Directors	Name of Directors Independent Directors								Other Non-Executive Director	Total
		Dr. K. N. Memani	Dr. Y. P. Trivedi	Shri P. K. Khaitan	Shri D.Sarkar	Shri S. B. Ganguly	Shri C. K. Dhanuka	Shri Amit Kiran Deb	Smt Rama Bijapurkar		
1	Fee for attending Board / Committee meetings	2.75	3.00	2.75	2.25	6.35	3.05	6.10	1.50	-	27.75
2	Commission	7.50	4.50	4.50	4.50	4.50	4.50	4.50	34.00	-	68.50
3	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (1)	10.25	7.50	7.25	6.75	10.85	7.55	10.60	35.50	-	96.25
Sl. No.	Other Non-Executive Directors										
1	Fee for attending Board/Committee meetings	-	-	-	-	-	-	-	-	4.75	4.75
2	Commission	-	-	-	-	-	-	-	-	-	-
3	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-	4.75	4.75
	Total (B)=(1+2)	10.25	7.50	7.25	6.75	10.85	7.55	10.60	35.50	4.75	101.00
	Total Managerial Remuneration (A+B)										2,124.02
	Overall Ceiling as per the Act										4,488.31

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / WTD / MANAGER

₹ in Lac

Sl No	Particulars of Remuneration	Name of KMP		Total
		Shri A. K. Joshi	Shri N. H. Bhansali	
		Company Secretary	CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	47.52	225.59	273.11
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.32	-	0.32
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	2.54	18.76	21.30
	Total	50.38	244.35	294.73

viii) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

ANNEXURE-IV

ANNUAL REPORT ON CSR ACTIVITIES

A brief outline of the policy for undertaking the CSR activities of the company includes the following:

- Promoting Healthcare, water and sanitation programmes ;
- Promoting education, enhancing vocational skills and livelihood enhancement projects;
- Rural development, social upliftment programmes and promotion of art and Culture.

These projects are in accordance with Schedule VII of The Companies Act, 2013. The aforesaid projects have been carried out by the Company directly and/or through implementing agencies.

Composition of CSR Committee:

1. Shri S. K. Goenka, MD (Chairman)	2. Shri A. K. Deb, ID (Member)
3. Shri Mohan Goenka, WTD (Member)	4. Shri H. V. Agarwal, WTD (Member)
5. Smt. Priti A. Sureka, WTD (Member)	6. Shri Prashant Goenka, WTD (Member)

Average Net Profit for the three previous Financial years: ₹40,019.54 lac

Prescribed CSR Expenditure: ₹800.39 lac

Total amount spent in the Financial Year 2019-20: ₹564.14 lac

Details of CSR Expenditure 2019-2020

₹ in Lac

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered #	Projects or Program	Amount spent on Projects or programs (1) Local area or other (2) Specify the State and District where projects or program was undertaken	Amount outlay (budget) Project or Program wise	Amount spent on the projects or programs* 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto the reporting period.	Direct or through implementing agency
1	Promoting Education, Vocational Training and Skill Development.	(ii)	Infrastructure support to schools, colleges, institutions	Pushkar (Ajmer, Rajasthan); Fatehpur (Sikar, Rajasthan), Haripal (Hooghly),Bankura (Bankura), BT Road (Kolkata), Bagbazar (Kolkata),		19.08	-	Directly, by Units, Emami Foundation, Brahma Savitri Ved Vidhya Peet (Rajasthan),
			Scholarship/ Assistance to students and Education Support Program	Panthnagar(Uttarakhand); BT Road, Kolkata; Haripal Hoogly, Alipurduar, Dakshin Dinajpur, Malda, Midnapore, Nadia, Birbhum, West Bengal; Abhoypur, Amingaon, Pachoria Kamroop, Assam;	342.39	105.04	-	Directly, by Units, Emami Foundation; Friends of Tribal Society(Kolkata);
			Skill Development Program through Vocational Training Centres; Learning Enhancement Programs and other educational initiatives.	Haripal Hooghly, Kolkata, West Bengal; Badiadka & Mujungavu in Kasaragod, District of Kerala; Uruvalu in Dakshin Kannada District; Muroor in Uttar Kannada District; Mysore in Mysore District; Hosanagar & Linganmakki in Shimoga district; Chadurahalli in Sagar Taluq, in the state of Karnataka of Uttara Kannada, (Karnataka); Panthnagar(Uttarakhand);		56.02	-	Directly, by Units, Emami Foundation; Gramothan India Foundation
			Sub Total		342.39	180.14	-	

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered #	Projects or Program	Amount spent on Projects or programs (1) Local area or other (2) Specify the State and District where projects or program was undertaken	Amount outlay (budget) Project or Program wise	Amount spent on the projects or programs* 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto the reporting period.	Direct or through implementing agency
2	Social Upliftment	(i), (ii), (v), (x)	Eradicating hunger, poverty and malnutrition [Hunger Mitigation Program]	Parts of Kolkata, Suburbs, BT Rd, Kolkata, West Bengal, Abhaypur & Amingaon, (Kamrup, Assam) ; B T Rd, (Kolkata, West Bengal) ; Pantnagar, (Udham Singh Nagar district, Uttarakhand) ; Vapi, (Valsad, Gujarat) ; Dongari, (Palgarh District, Maharashtra) ; Masat, (Dadra & Nagar Haveli);	174.00	38.73	-	Directly, from Units, Emami Foundation
			Promoting Art & Culture , Promoting Sports and supporting Social Infrastructure hostel, old age home, etc.	Gokarna, Uttara Kannada district (Karnataka); Pachoria, Kamrup, Guwhati, (Assam);Purulia (Purulia), Kolkata, (West Bengal);		35.62	-	Emami Foundation; Dharma Chakra Trust; Pach milanpur shiva community; Mulvani Home Calcutta Diocesan, Ramakrishna Mission Purulia, Sparsha Dristi Touch Vision; Art Acre Foundation
			Support to the under privileged community through Distribution of Ayurvedic Items	Kakdwip, 24Pgs (S), West Bengal, Kolkata, West Bengal, Bhubaneswar, Odissa, Mumbai, Maharashtra, Guwhati Assam		12.45	-	Directly
			Rural Development Program- support, in building Cold Storage for better crop management, Capacity Building of Grass root organizations & others	Khandapada district, Odissa; Badiadka & Mujungavu, Kasaragod, District Kerala; Uruvalu in Dakshin Kannada District; Muroor in Uttar Kannada District; Mysore in Mysore District; Hosanagar & Lingannakki in Shimoga district; Chadurahalli in Sagar Taluq, in the state of Karnataka;		37.00	-	Association For Active Social & Humanitarian Aid (Odisha), Gramothan India Foundation; Emami Foundation
			Disaster Management Program & Support during natural calamalities	Pachoria, Kamrup, Guwhati, (Assam); Haripal, Hooghly (West Bengal), Kolkata and suburban , (West Bengal); Mumbai (Maharashtra)		46.37	-	Directly, From HO, Emami Foundation, HIVE India
			Sub Total	174.00	170.17	-		
3	Promoting Health care, Water & Sanitation	(i)	Health Care Infrastructure Development Program	Kolkata,West Bengal	244.00	10.53	-	Shree Vishudhanand Hospital
			Promoting health Care activities through Clinics & Camps	Ram Ram Bhawan, Ananddham, CN Roy Road, Nonadanga, Udayvilla BT Rd, Kolkata, Liluah, Howrah Aradhanadham, Haripal, Hoogly,		149.68	-	Emami Foundation OPD Clinics & Health Camps, SAAOL HEART CAMP by Dr. Bimal Chajjer.
			Animal Welfare and Environment Program	24 PGS (N), 24PGS (S); Kolkata,West Bengal		13.62	-	Emami Foundation
			Sub Total	244.00	173.83	-		
4	Admin Expenses **	-	Admin Expenses	Kolkata,West Bengal	40.00	40.00	-	Directly
			Sub Total	40.00	40.00	-		
			Total	800.39	564.14	-		

* All the expenditures are Direct Expenditures and no Overheads

based on the Notification issued by the Ministry of Corporate affairs dated 27th February, 2014

** As per rule 4(6) of the CSR Rules 2014

RESPONSIBILITY STATEMENT

The Implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the company

Shri R. S. Agarwal
Chairman
Emami Limited

Shri Sushil Kr. Goenka
Chairman
CSR Committee

ANNEXURE- V

DIVIDEND DISTRIBUTIION POLICY

1. Purpose & Background

This Policy will regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions contained in Companies Act, 2013 read with the applicable Rules, regulation 43A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as applicable from time to time. However, this document does not solicit investments in the Company's equity shares.

2. Dividend

Dividend is the payment made by the company to its shareholders out of the profit made by the company in proportion to the equity capital they hold, dividend included Interim Dividends.

3. Parameters for declaration of Dividend

The Board of Directors of the Company shall consider the following parameters for declaration of dividend:-

Financial parameters (internal factors)

- Consolidated net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and/or new businesses
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend Trends

External Factor

- Prevailing legal requirements
- Regulatory conditions or restrictions laid down under the applicable laws including tax laws.
- Dividend pay-out ratio of companies in the same industry.

4. Circumstances under which the shareholders may or may not expect Dividend

- If the Company undertakes or proposes to undertake a significant expansion of project/ acquisitions of business/brand/company or joint ventures requiring higher allocation of capital;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it proposes to utilise surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.

5. Utilization of retained earnings

The retained earning after declaration of the dividend if any, shall be utilised in the manner as considered appropriate by the Board and subject to the applicable laws.

6. Parameters adopted with regard to various classes of shares:

Since the company has issued only one class of equity shares with equal voting rights, all the members of the company are entitled to the same dividend per share.

7. Review

The Chairman and Managing Director are individually authorised to make alterations in the policy if required from time to time. In case of any amendment(s), clarification(s) circular etc. issued by relevant authorities not being consistent to the provisions laid down under this policy then such amendment, clarification, circular etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment, clarification, circular etc.

ANNEXURE VI

REMUNERATION POLICY FOR THE MEMBERS OF BOARD AND EXECUTIVE MANAGEMENT

1. Preamble

- 1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors.
- 1.2 In terms of Section 178 of the Companies Act, 2013 which has been made effective from April 1, 2014 by the Central Government vide notification no. S.O. 902(E) issued on March 26, 2014, this Remuneration Policy ("the Policy") is being framed and formulated for laying down criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Executives.
- 1.3 The policy will be reviewed by the Nomination and Remuneration Committee of the Board of Directors as and when required.

2. Aims & Objectives

- 2.1 The aims and objectives of this remuneration policy may be summarized as follows:
 - 2.1.1 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and other executive level.
 - 2.1.2 The remuneration policy seeks to enable the company to provide a well- balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
 - 2.1.3 The remuneration policy will ensure that the interests of Board members & senior executives are aligned with the business strategy and risk

tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.

- 2.1.4 The remuneration policy will ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. Principles of remuneration

- 3.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.
- 3.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 3.3 Internal equity: The Company shall remunerate the board members, KMP and senior management in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 3.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- 3.5 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company

whilst complying with relevant tax and other legislation.

- 3.6 **Performance-Driven Remuneration:** The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- 3.7 **Affordability and Sustainability:** The Company shall ensure that remuneration is affordable on a sustainable basis.

4 Nomination and Remuneration Committee

- 4.1 The Remuneration Committee of the Board of Directors has now been re-named as Nomination and Remuneration Committee. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.
- 4.2 The Committee shall be responsible for:
- 4.2.1 Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;
- 4.2.2 Formulating criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Executives.
- 4.2.3 Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- 4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

4.3 The Committee shall:

- 4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;
- 4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
- 4.3.3 obtain reliable, up-to-date information about remuneration in other companies;
- 4.3.4 ensure that no director or executive is involved in any decisions as to their own remuneration.

4.4 Without prejudice to the generality of the terms of reference to the Remuneration Committee set out above, the Remuneration Committee shall:

- 4.4.1 Operate the Company's share option schemes (if any) or other incentives schemes (if any). It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);
- 4.4.2 liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors; and
- 4.4.3 review the terms of executive Directors' service contracts from time to time.

5 Procedure for selection and appointment of the Board Members

- 5.1 Board membership criteria
- 5.1.1 The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of Board Members for the better management of the Company. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.
- 5.1.2 In evaluating the suitability of individual Board members, the Committee takes into account

many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.

5.1.3 Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

5.1.4 In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

5.1.5 The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

5.2 Selection of Board Members/ extending invitation to a potential director to join the Board

5.2.1 One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

5.2.2 The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director may be appointed by the Board.

6 Procedure for selection and appointment of Executives other than Board Members:

6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;

6.2 The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market;

6.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;

6.4 meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of KMP and SMP;

6.5 Before the selection of KMP, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;

6.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

7 Compensation Structure

7.1 Remuneration to Non-Executive Directors:

The Non-executive Directors of the Company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The said sitting fees paid to the Non-executive Directors for the Board Meetings and Committee meetings are fixed by the Board and reviewed from time to time in accordance with applicable law.

Keeping with evolving trends in industries and considering the time and efforts spent by specific non-executive directors and based on their participation, contribution and active role in the Board and strategic matters of the Company, the practice of paying differential commission will be considered by the Board.

7.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.

The remuneration determined for MD/WTDs are approved by the Board of Directors and members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

8 Role of Independent Directors

- 8.1 The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this policy to the Board for its approval.
- 8.2 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management

and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.

- 8.3 The Independent Directors shall submit its recommendations/ proposals/ decisions to the Committee which the Committee shall consult and take to the Board of Directors.

9 Approval and publication

- 9.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 9.2 This policy shall be hosted on the Company's website.
- 9.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013.

10 Supplementary provisions

- 10.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
- 10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
- 10.3 The right to interpret this Policy vests in the Board of Directors of the Company.

ANNEXURE VII

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2019-20

Sr. No.	Name	Ratio
1	Shri R. S. Agarwal	227.56 : 1
2	Shri R. S. Goenka	227.56 : 1
3	Shri S. K. Goenka	46.35 : 1
4	Shri Mohan Goenka	42.55 : 1
5	Shri H. V. Agarwal	39.80 : 1
6	Smt. Priti A Sureka	39.80 : 1
7	Shri Prashant Goenka	39.80 : 1

- (ii) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in Financial Year 2019-20:

Sr. No.	Name	Designation	% Increase
1	Shri R.S. Agarwal	Executive Chairman	6.17%
2	Shri R. S. Goenka	Whole Time Director	6.17%
3	Shri S. K. Goenka	Managing Director	10.51%
4	Shri Mohan Goenka	Whole Time Director	11.55%
5	Shri H. V. Agarwal	Whole Time Director	12.45%
6	Smt. Priti A Sureka	Whole Time Director	12.45%
7	Shri Prashant Goenka	Whole Time Director	12.45%
8	Shri N. H Bhansali	CEO - Finance, Strategy & Business Development & CFO	3.56%
9	Shri A. K. Joshi	Company Secretary & VP - Legal	3.70%

- (iii) Percentage increase in the median remuneration of employees in the Financial Year 2019-2020 : 2.30%
- (iv) Number of permanent employees on the rolls of company as on March 31, 2020 : 3215
- (v) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 5.69% whereas the increase in the managerial remuneration was 7.88%. The average increase every year is an outcome of the Company's performance as against its peer group companies and standard industry practices aligned with the Remuneration Policy of the Company.
- (vi) The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

Statement pursuant to Rule 5(2) and 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended March 31st, 2020

Sl.No., Name, Designation, Remuneration (in ₹), Nature of Employment, Experience (in Years), Qualification, Date of Commencement of employment, Age, Previous Employment, Position of Last Employment, % of Equity Shares held in the Company, Whether relative of any Director.

1. Shri R.S. Agarwal, Executive Chairman, 69391600, Contractual, 49, FCA, FCS, M.Com, LLB, 03.05.1994, 73, HGI Industries Ltd., President & Secretary, 0.34, Father of Shri H.V. Agarwal, Shri A.V. Agarwal & Smt. Priti A Sureka; 2. Shri R.S. Goenka, Whole-Time Director, 69391600, Contractual, 49, B.Com, M.Com, 08.11.2012, 72, Emami Paper Mills Ltd., Executive Chairman, 0.25, Father of Shri Mohan Goenka and Brother of Shri S.K. Goenka; 3. Shri S.K. Goenka, Managing Director, 14133600, Contractual, 39, B.Com, 17.05.1994, 62, Not applicable, Not applicable, 0.08, Brother of Shri R.S. Goenka; 4. Shri Mohan Goenka, Whole-Time Director, 12975600, Contractual, 14, B.Com, MBA, 15.01.2005, 46, Not applicable, Not applicable, 0.11, Son of Shri R.S. Goenka; 5. Smt. Priti A Sureka, Whole-Time Director, 12135600, Contractual, 18, BA, 30.01.2010, 46, JB Marketing & Finance Ltd., Executive, 2.18, Daughter of Shri R.S. Agarwal & sister of Shri H.V. Agarwal & Shri A.V. Agarwal; 6. Shri H.V. Agarwal, Whole-Time Director, 12135600, Contractual, 14, B.Com, 15.01.2005, 42, Not Applicable, Not applicable, 0.65, Son of Shri R.S. Agarwal & Brother of Shri A.V. Agarwal & Smt. Priti A. Sureka; 7. Shri Prashant Goenka, Whole-Time Director, 12135600, Contractual, 15, B.Com, MBA, 01.09.2004, 45, Not applicable, Not applicable; 8. Shri N.H. Bhansali, CEO-Finance, Strategy and Business Development & CFO, 24435469, Employee, FCA, 01.11.2001, 53, Reliance Industries Ltd., Business Analyst, 0.01; 9. Smt. Punita Kalra, CEO-R&D & Innovation, 34310518, Employee, 21, Masters in Pharmaceutical Sciences, 01.04.2010, 47, Hindustan Unilever Ltd., Product Technology Group Head Skin Care, Skin Regional Technology Centre, 10. Shri C.K. Katiyar, CEO-Technical (HC), 23366011, Employee, 36, PHD, 01.11.2012, 65, Dabur India Ltd., Vice President & Head (R&D), 11. Shri Vivek Dhir, CEO-IMD, 35620182, Employee, 25, MBA, 15.01.2018, 50, Dabur International Ltd., Chief Marketing Officer; 12. Shri Mohan Rajabhau Panchabhai, COO-Operations, 18541316, Employee, 33, BE, 09.06.2014, 56, Hindustan Unilever Ltd., Head of Innovation, Technology & Planning, 13. Shri Nihar Ranjan Ghosh, President-HR, 11596943, Employee, 34, Master of Social Work, 16.08.2016, 57, RP-SG GROUP, Executive Director –HR; 14. Shri Rana Banerji, President-HCD, 17431941, Employee, 24, MBA, 02.01.2017, 53, Dabur India Ltd., Head of the Marketing; 15. Shri Venkata Rao Damera, President-IT, 11918737, Employee, 20, MCA, 04.07.2017, 47, Godfrey Phillips India Limited, Chief Information Officer and Group Digital Head. 16. Shri Pradeep Kumar Pandey, Sr. VP-Packaging, 13937982, Employee, 22, PGD in Packaging Technology, Management in Material Science, 05.09.2015, 48, Procter & Gamble, First Level Section Manager; 17. Shri Anupam Chandra Katheriya, AVP-Marketing & Finance Development, 10941305, Employee, MBA, 21.06.2012, 44, Nestle; 18. Shri Hironmoy Sen, President-Sales & Business Head (Sea & North America), 9677692, Employee, 26, MBA, 01.04.2019, 51, RPSG Group, Vice President Sales; 19. Shri Vipul Gupta, Head of E Commerce Healthcare., 1755635, Employee, 13, Tech. Master of Management Studies, 14.01.2020, 40, Entrepreneurial Ventures; 20. Shri Vinod Nandgopal Rao, President-Sales CCD, 5415016, Employee, 24, MBA, 02.03.2020, 49, Hershey's India, Director Sales & Export; 21. Shri George Angelo*, COO-Sales-CCD & Supply Chain, 4008952, Employee, 35, PGDM, 04.03.2019, 57, Anchor Health & Beauty Care Pvt. Ltd, CEO; 22. Shri Vivek Prakash Gupta*, Vice President-Sales HCD, 2375712, Employee, 18, MBA, 07.08.2017, 47, Hindustan Coca Cola Beverages Pvt. Ltd.; 23. Shri T. Vijay Bhaskar Reddy*, Head-Food Business, 2876439, Employee, 30, PGDBM (Marketing and Sales Management), 22.08.2014, 57, Dabur India Ltd.

* Employees who were employed for part of the financial year

Note: None of the employees as mentioned above employed throughout the financial year or part thereof, was in receipt of remuneration in that year which in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company

Corporate Governance Report



COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Emami firmly believes in adhering to established corporate governance practices in order to protect the interests of investors and ensure healthy growth of the Company. The Company stringently complies with the corporate governance practices as enumerated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {hereinafter referred to as the "SEBI Listing Regulations, 2015"}.

The Company lays a strong emphasis on ethical corporate citizenship and the establishment of good corporate culture. The corporate governance processes and systems have gradually been strengthened over the years. The objective of an effective corporate governance mechanism according to a global consensus entails long-term maximisation of shareholders' value. Pursuant to this objective, the Company's management and employees have manufactured and marketed products, which have created long-term sustainable value for consumers, shareholders, employees, business partners, the society and the economy as a whole. The Company at the same time ensures full compliance with regulatory disclosure requirements.

The Company believes that the concept of corporate governance is founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company has always given its best efforts to uphold and nurture these values across all operational aspects. As a means to this end, the Company formed a Board comprising reputed experts, and inducted persons of eminence as Independent Directors. These people contribute to corporate strategizing and provide external perspectives, wherever appropriate.

BOARD OF DIRECTORS

a. Introduction

The Board of Directors is the apex body that governs the overall functioning of the Company. The Board provides and evaluates the strategic

direction of the Company, its management policies and their effectiveness. It also ensures that the long-term interests of stakeholders are being served. The Board plays a pivotal role in ensuring good governance. The Board's role, functions, responsibility and accountability are clearly defined in this regard.

The members of the Board hail from diverse backgrounds, skilled and experienced in areas like taxation, banking, finance, entrepreneurship, marketing, consumer behaviour mapping as well as legal and general managerial aspects. Many of them have worked extensively in senior managements of global corporations and formed an in-depth understanding of the Indian business environment. The Chairman, Managing Director and Whole-time Directors are assisted by the CEOs/CFO/senior managerial personnel in overseeing the functional matters of the Company.

The Board reviews its strength and composition from time to time to ensure that it remains aligned with statutory as well as business requirements.

The Board Meetings are usually held at the registered office of the Company at Emami Tower, 687, Anandapur, E. M. Bypass, Kolkata - 700 107

b. Composition of the Board

The Board of Directors comprises professionals drawn from diverse fields, resulting in a wide range of skills and experience being brought to the Board. The Company's policy is to maintain an optimal combination of Executive and Non-Executive Directors. As on 31st March 2020, the Board comprised an Executive Chairman, a Managing Director, five Executive Directors and nine Non-Executive Directors including eight Independent Directors. The Company also had two women Directors on its Board. The detailed profiles of all the Directors are available on the Company's website: www.emamilttd.in.

The Company complied with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 (1) of the SEBI Listing Regulations,

2015 with respect to the Composition of the Board. The Composition of the Board and category of Directors are as under:

Name and Category of Directors

Promoter Directors

Shri R. S. Agarwal, Executive Chairman
 Shri R. S. Goenka, Wholetime Director
 Shri S. K. Goenka, Managing Director
 Shri Mohan Goenka, Wholetime Director
 Shri A. V. Agarwal, Non- Executive Director
 Shri H. V. Agarwal, Wholetime Director
 Smt. Priti A. Sureka, Wholetime Director
 Shri Prashant Goenka, Wholetime Director

Non-Executive Independent Directors

Dr. K. N. Memani
 Dr. Y. P. Trivedi
 Shri P. K. Khaitan
 Smt. Rama Bijapurkar
 Shri C. K. Dhanuka
 Shri S.B. Ganguly
 Shri Amit Kiran Deb
 Shri Debabrata Sarkar

The names of listed companies wherein the above Board members are directors and category of their directorship is annexed. None of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director by SEBI/MCA or any such statutory authority, a certificate in this respect from a Company Secretary in practice is annexed.

At the time of appointment/re-appointment, every Independent Director signs a declaration to confirm that he/she fulfills all the conditions for being an Independent Director as laid down by the law.

The Independent Directors comply with the definition of Independent Directors as given under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI Listing Regulations, 2015. While appointing/reappointing any Independent Directors/Non-Executive Directors on the Board, Nomination and Remuneration Committee (NR Committee) considers the criteria as laid down in the Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations, 2015 and Board Diversity policy. All the Independent Directors give on an Annual basis a certificate confirming that they meet the independence criteria as mentioned in Section 149(6) of the

Companies Act, 2013 and SEBI Listing Regulations, 2015.

c. Agenda papers distributed in advance

Agenda of the meeting of Board of Directors/committees are circulated among the Directors/invitees, well in advance, in a structured format except for unpublished price-sensitive information. All material information is incorporated in the agenda papers to facilitate meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda and approval for the same is taken from the Board/committees as applicable. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

d. Directors' responsibilities

- i. The principal responsibility of the Board is to oversee the management of the Company, and in doing so, serve the best interests of the Company and its stakeholders, these include:
 - Reviewing and approving operating, financial and other corporate plans, strategies and objectives.
 - Evaluating whether the corporate resources are used for the appropriate business purposes.
 - Establishing a corporate environment that promotes timely and effective disclosures (including robust and appropriate control procedures and incentives), fiscal responsibility, high ethical standards and compliance with all applicable laws and regulations.
 - Evaluating the performance of the Company.
 - Attending the meetings of the Board, committees and shareholders.
- ii. Exercise best business judgments: In discharging their fiduciary duties with care and loyalty, the Directors exercise their judgment to act in what they reasonably believe to be in the best interest of the Company and its stakeholders.
- iii. Understand the Company and its business: The Directors have an obligation to remain informed about the Company and its business, including principal operational and financial objectives, strategies and plans.

iv. Establish effective systems: The Directors ensure that the effective systems are in place for periodic and timely reporting to the Board on matters concerning the Company.

e. The role of Company Secretary in the overall governance process

The Company Secretary plays a vital role in ensuring that Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and the senior management for effective decision-making at the meeting.

f. Compliance

The Company Secretary is responsible for and is required to ensure adherence to all the applicable laws and regulations primarily of the Companies Act, 2013 read with the rules thereunder and SEBI Listing Regulations, 2015. Besides preparing the agenda, the notes on the agenda and minutes of the meeting, among others, the Company Secretary establishes and regularly monitors the compliance mechanism in place to carry out effective and timely compliance of relevant laws, rules and regulations.

A composite report of statutory compliances of all applicable laws, rules and regulations among others along with the Certificates of Compliance duly signed by the respective heads of Department are placed before the Board on a quarterly basis. The Company has a dedicated team to monitor the compliance system, and in turn, is responsible for checking and reviewing the reports and preparing the Composite Compliance report. Based on the reports and certificates, a certificate of statutory compliances duly signed by the Managing Director and the CEO-Finance, Strategy & Business Development and CFO is also placed before each Board Meeting held during the year under review.

The Audit Committee and the Board of Directors review the compliance reports of the laws applicable to the Company as well as instances of non-compliances, if any, together with their possible impacts on the business, if any. A strict internal audit system is also in place to monitor and certify the compliance system.

The Board also reviews compliances on a quarterly basis of subsidiary companies.

The Company has complied with all the mandatory requirements of SEBI Listing Regulations, 2015.

The Company has put in place system based compliance monitoring software.

g. Risk management

The Company has a comprehensive ISO 31000:2009 certified Enterprise Risk Management System at work, duly approved by the Board of Directors of the Company. The Risk Management System is reviewed regularly by risk owners and necessary steps are taken for the risks identified. Composite reports of all risk areas including cyber laws are periodically reviewed by the Risk Management Committee, Audit Committee, Corporate Governance Committee and the Board of Directors of the Company.

The Board has appointed Shri Manoj Agarwal, Senior Vice President – Audit & Control as the Chief Risk Officer.

h. Number of Board meetings and the Directors present therein

The Board of Directors held five meetings during the year on May 27, 2019, August 8, 2019, November 6, 2019, February 7, 2020 and March 19, 2020

Details of board meetings held during the financial year and the number of Directors present:

Dates on which the Board Meetings were held	Strength of the Board	No. of Directors present
May 27, 2019	16	15
August 8, 2019	16	14
November 6, 2019	16	15
February 7, 2020	16	14
March 19, 2020	16	14

The maximum time gap between any two meetings was less than 120 days as prescribed under Regulation 17(2) of SEBI Listing Regulations, 2015. Videoconferencing facility is also used to facilitate Directors at other locations to participate in the Board/Board-level Committee Meetings. All necessary compliances were made by the Company whenever the Directors used the videoconferencing facility in the Board/Board-level Committee Meetings.

i. Attendance of Directors at Board meetings, last Annual General Meeting, relationship with other Directors and number of Directorships held, Chairmanship or memberships of committees of each Director in various companies as on March 31, 2020

Name of Director and DIN	Position	Relationship with other Directors	Date of joining	Number of Board meetings attended	Number of directorship held in Public Limited Companies as on 31.03.2020*	Number of committee positions held**	Attendance at the last AGM
Shri R.S. Agarwal DIN 00152996	Promoter Executive Chairman	Father of Shri A.V. Agarwal, Shri H.V. Agarwal and Smt. Priti A Sureka	03.05.94	4	1	None	Yes
Shri R.S. Goenka ^ DIN 00152880	Promoter Executive Director	Brother of Shri S.K. Goenka and father of Shri Mohan Goenka	03.05.94	5	1	Member-1	Yes
Shri S. K. Goenka DIN 00149916	Promoter Executive (Managing Director)	Brother of Shri R.S. Goenka	17.05.95	5	1	None	Yes
Dr. K. N. Memani DIN 00020696	Non – Executive Independent Director	-	15.05.06	5	4	Member-1	No
Dr. Y. P. Trivedi DIN 00001879	Non – Executive Independent Director	-	30.01.10	5	4	Chairman- 2 Member- 4	Yes
Shri P K Khaitan DIN 00004821	Non-Executive Independent Director	-	24.06.13	5	8	Chairman-2 Member-6	Yes
Smt. Rama Bijapurkar DIN 00001835	Non-Executive Independent Director	-	01.09.15	3	5	Chairman-3 Member-5	No
Shri C. K. Dhanuka DIN 00005684	Non – Executive Independent Director	-	02.08.17	3	9	Chairman- 2 Member- 10	No
Shri S.B. Ganguly DIN 00012220	Non-Executive Independent Director	-	30.01.10	5	3	Chairman-3 Member-4	Yes

Name of Director and DIN	Position	Relationship with other Directors	Date of joining	Number of Board meetings attended	Number of directorship held in Public Limited Companies as on 31.03.2020*	Number of committee positions held**	Attendance at the last AGM
Shri Amit Kiran Deb DIN 02107792	Non-Executive Independent Director	-	30.01.10	5	7	Chairman-1 Member-8	Yes
Shri Debabrata Sarkar DIN: 02502618	Non-Executive Independent Director	-	21.02.2019	4	9	Member-1	No
Shri Mohan Goenka DIN 00150034	Promoter Executive Director	Son of Shri R. S. Goenka	15.01.05	5	1	Member-1	Yes
Shri A. V. Agarwal DIN 00149717	Promoter Non-Executive Director	Son of Shri R.S. Agarwal and brother of Shri H.V. Agarwal and Smt.Priti A Sureka	01.07.07	5	4	None	Yes
Shri H. V. Agarwal DIN 00150089	Promoter Executive Director	Son of Shri R.S. Agarwal and brother of Shri A.V. Agarwal and Smt.Priti A Sureka	15.01.05	5	2	Member-1	Yes
Smt. Priti A Sureka DIN 00319256	Promoter Executive Director	Daughter of Shri R S Agarwal and sister of Shri A.V. Agarwal and Shri H.V. Agarwal	30.01.10	4	2	None	Yes
Shri Prashant Goenka DIN 00703389	Promoter Executive Director	Nephew of Shri R.S. Goenka and Shri S.K. Goenka	20.01.14	4	2	Member-1	Yes

* Excludes Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013

** Includes only Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI (LODR) Regulations, 2015.

^ Shri R. S. Goenka has become whole Time Director w.e.f. 08.11.2012 and before that he was Non-Executive Director.

None of the Directors is a member of more than ten board-level statutory committees or Chairman of more than five such Committees.

Name of the listed companies in which the company's directors are holding position of Directors and the category of their directorship as on 31st March 2020 is as under:

Sl No	Name of Director	Name of Listed Company	Category
1	Shri R.S. Agarwal	Emami Limited	Promoter Director /Executive Chairman
2	Shri R.S. Goenka	Emami Limited	Promoter Director / Whole Time Director
3	Dr. K.N. Memani	Emami Limited	Independent Director
		JK Lakshmi Cement Ltd.	Independent Director
		DLF Limited	Independent Director
4	Dr. Y.P. Trivedi	Emami Ltd	Independent Director
		Reliance Industries Ltd	Independent Director
		Supreme Industries Ltd	Independent Director
		Zodiac Clothing Company Ltd	Independent Director
5	Shri P K Khaitan	Emami Limited	Independent Director
		CESC Ltd.	Non- Independent Director
		Electro Steel Castings Ltd.	Independent Director
		First source Solutions Ltd.	Non- Independent Director
		Graphite India Ltd.	Independent Director
		India Glycols Ltd.	Independent Director
		Dalmia Bharat Limited	Independent Director
6	Smt. Rama Bijapurkar	Emami Ltd	Independent Director
		Nestle India Ltd.	Independent Director
		ICICI Bank Ltd.	Independent Director
		VST Industries Ltd.	Independent Director
		Mahindra & Mahindra Financial Services Ltd	Independent Director
7	Shri C.K. Dhanuka	Emami Ltd.	Independent Director
		Dhunseri Investments Ltd.	Chairman
		CESC Ltd.	Independent Director
		Dhunseri Tea & Industries Ltd.	Managing Director
		Dhunseri Ventures Ltd	Executive Chairman
		Naga Dhunseri Group Ltd	Chairman
		Mint Investments Ltd	Chairman
8	Shri S.B. Ganguly	Emami Ltd.	Independent Director
9	Shri A. K. Deb	Emami Ltd	Independent Director
		Skipper Ltd	Independent Director
		India Power Corp Ltd	Independent Director
10	Shri Debabrata Sarkar	Emami Ltd.	Independent Director
		Bank of India	Independent Director
		GOCL Corporation Limited	Independent Director
11	Shri S.K. Goenka	Emami Ltd.	Promoter Director /Managing Director
12	Shri Mohan Goenka	Emami Ltd.	Promoter Director/Whole Time Director
13	Shri A.V. Agarwal	Emami Ltd.	Promoter Director
		Emami Paper Mills Ltd	Executive Chairman
14	Shri H.V. Agarwal	Emami Ltd.	Promoter Director / Whole Time Director
15	Smt. Priti A Sureka	Emami Ltd.	Promoter Director / Whole Time Director
16	Shri Prashant Goenka	Emami Ltd.	Promoter Director / Whole Time Director

j. Information placed before the Board of Directors

The Company has complied with Part A of Schedule II of SEBI Listing Regulations, 2015 read with Regulation 17(7) of the said regulations with regard to information being placed before the Board of Directors.

The following items are generally tabled for information and review of the Board:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results of the Company and its Subsidiary & Associate companies;
- Company's annual financial results, financial statements and Auditors' Reports;
- Formation/reconstitution, terms of references and minutes of Board Committees including Audit Committee
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or resignation of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices which are materially important;
- Fatal or serious accidents, dangerous occurrences and material effluent discharge or pollution related problems;
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have been passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications for the Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development on human resources/industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, among others;
- Sale of material nature of investment, subsidiaries

and assets, which is not in the normal course of business;

- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks pertaining to adverse exchange rate movements, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, among others;
- Financials and minutes of meetings of subsidiary companies;
- Appointment, remuneration and resignation of Director(s) and key managerial personnel;
- General notices of interest to the Directors including declaration of Independent Directors at the time of appointment/annually;
- Appointment of internal auditors, cost auditors and secretarial auditors;
- Secretarial audit report submitted by secretarial auditor;
- Certificate of statutory compliance certifying compliance with all laws as applicable to the Company;
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulation, 1996;
- Dividend declaration;
- Grant of loans and making investments of surplus funds;
- Transactions/Agreements/Contracts with related parties;
- Review of the risk management policy;
- Any other important or critical matters.

The Board is presented with all the information under the above heads whenever applicable and materially significant. These are submitted either as a part of the agenda papers well in advance of the Board meetings, or are tabled in the course of the Board meetings or meetings of the relevant committees. Functional heads are also called upon to provide additional inputs to the items being discussed by the Board/Committee, as and when required

k. Presentation by the management

Before putting on record the quarterly/annual financial results of the Company, a presentation is made before the Board on operations of the

Company including performance of major brands, international businesses, performance of subsidiary companies, initiatives taken for sales promotion and all other matters having impact on the business of the Company.

l. Succession plan:

The Board of Directors has satisfied itself that plans are in place for orderly succession for outgoing members of the Board of Directors and Senior Management Personnel.

m. Training of Board members and Familiarisation Programme for Independent Directors

At Emami, all the members of the Board of Directors are experienced professionals who are well-acquainted with the nature of industry, the business model and other aspects of the Company and keep themselves updated about the changes in laws relating to Company's business and their roles and responsibilities as Directors of the Company.

At each of the Board Meeting, Board members are provided with presentations containing details about the Company, the FMCG business as a whole, the business model and new launches, among others.

In each of the Audit Committee Meetings, the committee members are updated about changes in laws relating to reporting and disclosures.

The Company arranges discussions/meetings on the risks associated with the Company's business wherein experts are invited and mitigation plans are discussed with the Executive Directors. Such discussions in the form of training exercises enable them to take better decisions when it comes to discharging their responsibilities.

The relevant statutory changes/updates are explained / informed to the Directors from time to time so that they can take better and informed decisions.

The Independent Directors were given a formal orientation about the operation of the Company and their roles and responsibilities.

Independent Directors are regularly informed and updated on the business activities of the Company by providing them with the details of businesses of the Company as well as details of competitors, changes in relevant laws, their duties/responsibilities and liabilities as a Director. Such information enables the Independent Directors to familiarise themselves with the Company's operations and

the industry at large. The Company had organised factory visits for Independent Directors as a part of the familiarisation programme.

During the year under review, Directors were imparted training on amendments of the Companies Act 2013 and SEBI Listing Regulations, 2015.

The Company had also organised an orientation programme for Independent Directors to familiarise them with manufacturing/business operation of the units of the Company.

The Company initiated a Familiarisation Programme for the Independent Directors as required under Regulation 25(7) of the SEBI Listing Regulations, 2015.

The details of the Familiarisation Programme can be accessed at: <http://www.emamiltd.in/investor-info/pdf/EmamiLtdFamiliarisationProgrammeForIndependentDirectors.pdf>

n. Whistleblower mechanism

The Company has a strong and effective whistleblower policy in place, which aims to deter and detect actual or suspected misconducts. It has been established to ensure that genuine concerns of misconduct/unlawful conduct, which an individual believes may be taking place within the organisation, are raised at an early stage in a responsible and confidential manner.

This mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism. Any employee may report such incident without fear to the Chairman of the Audit Committee or alternatively to the Head – Internal Audit.

During the year, the Company made necessary amendments to the Whistleblower policy, in line with the provisions of the SEBI Insider Trading (Amendment) Regulations, 2018.

The above mechanism was appropriately communicated within the Company, across all levels, and was displayed on the Company's website: <http://www.emamiltd.in/investor-info/pdf/WhistleBlowerPolicyEmami.pdf>

The Audit Committee is empowered to monitor the functioning of the mechanism. It reviews the status of complaints received under this policy. The Committee has, in its report, affirmed that no personnel were denied access to the Audit Committee.

o. Criteria for the selection of the Directors

The selection process of Board members is dependent on several parameters. The Board has identified skill, expertise and competency required in context to its business for it to function effectively and these are taxation, legal, banking, finance, entrepreneurship, marketing and consumer behavior which are available with the Board. The Company recognises and embraces the benefits of having a diverse Board and believes that it will enhance the quality of the decisions of the Board by utilising their varied skills, qualifications, professional experience, gender and knowledge, among others, of the members of the Board, which is necessary for achieving sustainable and balanced growth of the Company.

The Nomination and Remuneration Committee recommends appointment of suitable professionals who may be inducted into the Board. Upon fulfillment of the parameters, the Directors are appointed.

p. Terms and conditions for appointment of Independent Directors

The terms and conditions of appointment of the Independent Directors are subject to the provisions of the applicable laws, including the Companies Act, 2013, SEBI Listing Regulations, 2015 along with the Articles of Association of the Company. Each Independent Director is issued a letter specifying the details of appointment at the time of joining. Every Independent Director signs a declaration to confirm that he/she fulfills all the conditions for being an Independent Director as laid down under the law.

q. Board diversity policy

The Company recognises and embraces the benefits of having a diverse Board of Directors. The Company believes that increasing diversity at the Board level is essential for maintaining a competitive advantage in the complex business segment that it operates in. It recognises that a Board comprising appropriately qualified people, with a broad range of experience relevant to the business of the Company, is imperative to achieve effective corporate governance and sustained commercial success.

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors, and Women Directors. The composition of the Board is in accordance with requirements of the Articles of Association of the

Company, the Companies Act, 2013, SEBI Listing Regulations, 2015 and all other statutory, regulatory and contractual obligations of the Company.

r. Board evaluation policy

The primary objective of the policy is to provide a framework and set standards for the evaluation of the Board as a whole and each Director individually. The Company aims to achieve a balance of merit, experience and skills on the Board. The policy is to assess and enhance the effectiveness of the Board as a whole. Individual members are assessed on their effective contribution and commitment to their roles and responsibilities as Directors. The Board evaluation process is carried out by the Nomination and Remuneration Committee and can be accessed at:<http://www.emamiltd.in/investor-info/pdf/Board-Evaluation-Policy.pdf>

s. Post-meeting follow-up mechanism

The important decisions taken at the Board/Board-level Committee meetings are promptly communicated to the concerned departments/divisions. A report on the action taken on the decisions/suggestions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/committee for noting the same.

t. Code of conduct

The Company has established a Code of Conduct for all the members of the Board including Independent Directors, Committees and Heads of Departments. In compliance with SEBI Listing Regulations, 2015 and The Companies Act, 2013, the Code of Conduct suitably lays down the duties of the Independent Directors.

The said code is displayed on the Company's website: www.emamiltd.in/investor-info/pdf/CodeofConduct.pdf. Under the Code, the Board has designated the Managing Director of the Company as Chief Executive Officer (CEO).

The CEO affirmed to the Board that the members of the Board and Committees and Heads of Departments have complied with the provisions of this code. A declaration signed by the CEO in this regard is annexed at the end of this Report.

u. Skill/Expertise/Competence of the Board of Directors

In compliance with the SEBI Listing Regulations, 2015 the Board of Directors of the Company having the list of core skills/ expertise / competencies in the context of the company's business and its sector for effective functioning are as follows:

The board has identified the following skills required for the company and the availability of such skills with the board :

Sl No	Skills and its Descriptions	Shri R. S. Agarwal	Shri R. S. Goenka	Dr K. N. Memani	Dr Y. P. Trivedi	Smt Rama Bijapurkar	Shri P. K. Khaitan	Shri C. K. Dhanuka	Shri S. B. Ganguly	Shri Amit Kiran Deb	Shri Debabrata Sarkar	Shri S. K. Goenka	Shri Mohan Goenka	Shri A. V. Agarwal	Shri H. V. Agarwal	Smt Priti A Sureka	Shri Prashant Goenka
1.	Leadership of Large Organizations Deep knowledge and experience of managing complex business processes, regulatory environment, foresight and ability to strategise during dynamic & challenging situations to manage	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.	Visioning, Strategic Planning and M&A Ability to use experience & expertise in chartering the growth path of a company in challenging and competitive business environment by developing well thought-out strategies for successful implementation. Strategies to include inorganic growth through potential mergers & acquisitions that enhance and add value to the existing strength of the company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.	Consumer Insights, Innovation & Marketing exposure Deep consumer insights and knowledge of consumer trends and preferences that help in developing marketing strategies through innovations in both product development and communication to reach out to wider consumer base and gain market share.	✓	✓			✓		✓					✓	✓	✓	✓	✓
4	Financial & Risk Management Experience & expertise in handling complexities of Financial management, reporting processes, with requisite knowledge of accounting, treasury, Risk Management etc. in large organisations	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Supply Chain Management In-depth knowledge, experience & expertise in the management of complexities of supply chain processes and leveraging the use of technology to enhance efficiency of the system in an ever-changing dynamic competitive environment	✓	✓			✓		✓				✓	✓	✓	✓	✓	✓
6	Governance and Regulatory requirements Oversight Knowledge & understanding of corporate laws, and experience & expertise in maintaining board and management accountability, practicing good corporate governance, driving corporate ethics and values to serve towards the best interest of the stakeholders and maximising stakeholders' value.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Committees of the Board

With an objective to have a more focused attention on various facets of business, better accountability and ensuring compliances, the Board has constituted the committees, which comply with the requirements of The Companies Act, 2013 as well as SEBI Listing Regulations, 2015, these comprise:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Share Transfer Committee
4. Stakeholders Relationship Committee
5. Finance Committee
6. Corporate Governance Committee
7. Corporate Social Responsibility Committee
8. Risk Management Committee
9. Buy-Back Committee

Each of these committees has been mandated to operate within a given framework. The details of composition of the above mentioned committees is available on the Company's website: www.emamiltd.in

1. Audit Committee

The Audit Committee was constituted by the Board of Directors on March 28, 2001.

The Audit Committee acts as the link between the Statutory Auditors, the Internal Auditors and the Board of Directors of the Company.

The terms of reference of the Audit Committee are as per the guidelines set out in Regulation 18 of the SEBI Listing Regulations, 2015 read with Section 177 of the Companies Act, 2013.

The Company has a well-defined and structured internal audit control system to ensure reliability of operational and financial information, statutory/regulatory compliances and safeguard of the assets of the Company.

The internal audit department governs its audit through modules/checklists to carry out process-wise audits and ensure effective discharging of their duties and compliance with SEBI Listing Regulations, 2015. The audit process being used by internal audit department is also

reviewed from time to time with a view to bring it in line with the regulatory framework.

The representatives of statutory auditors are permanent invitees to the audit committee meeting. The representative of the cost auditor is invited to attend the meeting of the audit committee when the cost audit report is tabled for discussion. The Managing Director, the CEO-Finance, Strategy and Business Development and Chief Financial Officer and Senior Vice President – Finance and Investor Relations attend the Audit Committee as special invitees.

As on March 31, 2020 the Audit Committee comprised four (4) Directors, out of whom, three (3) were Independent Directors.

Shri S.B. Ganguly, Chairman of the Committee, possesses vast and longstanding experience in corporate matters and finance.

Shri R.S. Goenka has expertise in commercial and taxation matters. Shri Amit Kiran Deb, IAS and M.A. in Political Science, was the Chief Secretary to the Government of West Bengal. Shri C. K. Dhanuka is a commerce graduate and well-known industrialist and promoter of Dhunseri Group of Companies.

Shri A. K. Joshi, Company Secretary and Vice President - Legal, is the Secretary of the Committee and Shri Manoj Agarwal is the Internal Auditor of the Company.

The Audit Committee held four (4) meetings during the year on May 27, 2019, August 7, 2019, August 8, 2019 (adjourned), November 6, 2019, and February 7, 2020.

Shri S.B. Ganguly, Chairman of the Committee, was duly present at the Annual General Meeting held on August 8, 2019.

The gap between any two meetings did not exceed 120 days complying with the Companies Act, 2013 and provisions of SEBI Listing Regulations, 2015.

The functions of the Committee include:

- Overseeing the Company's financial reporting process and the disclosure of

its financial information to ensure that the financial statements are correct, sufficient and credible;

- Recommendation for appointment, remuneration and terms of appointment of Statutory Auditors of the Company including the Cost Auditor of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related-party transactions;
 - Qualifications in the draft audit report; if any.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, among others), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence, performance and effectiveness of the audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud, irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern;
- To look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- Reviewing the functioning of the vigil mechanism and whistleblower mechanism;
- Approval of appointment of CFO (i.e., Chief Financial Officer or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background among others of the candidate;
- Carrying out any other function mentioned in the terms of reference of the Audit Committee;
- Reviewing the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and Appointment, removal and terms of remuneration of the chief internal auditor.

Composition of the Committee and attendance of the members at the meetings held during the year:

Name of the member of the Committee	Category of Director	Number of meetings attended
Shri S.B. Ganguly, Chairman	Independent	4
Shri R.S. Goenka	Promoter/ Executive	4
Shri Amit Kiran Deb	Independent	4
Shri C. K. Dhanuka	Independent	2

2. Nomination and Remuneration Committee

The Committee was constituted by the Board on January 31, 2003 under the name of 'Remuneration Committee' in terms of then prevailing provisions of the Listing Agreement and the Companies Act. The Board at its

meeting held on May 5, 2014, changed the nomenclature of the Committee to 'Nomination and Remuneration Committee' to align it with the scope of functions of the Committee in terms of Section 178 of the Companies Act, 2013.

The Committee comprises three (3) Independent Directors and Shri A.K. Joshi, Company Secretary and Vice President - Legal, as its Secretary.

The Committee held two (2) meetings during the year on May 27, 2019 and November 06, 2019.

Shri A. K. Deb, Chairman of the Committee was duly present at the Annual General Meeting held on August 8, 2019. The Company complies with the Regulation 19 of SEBI Listing Regulations, 2015 with respect to composition, role and responsibilities of Nomination and Remuneration Committee.

The functions of the Committee include:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to remuneration of the Directors, key managerial personnel and other employees.
- To formulate criteria for evaluation of Independent Directors, Non-Independent Directors, the Chairman, the Board as a whole and other committee.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become a Director and who may be appointed in senior management.
- To evaluate, review and recommend to the Board, the remuneration of the Executive Directors, striking a balance between performance and achievement.
- Whether to extend or continue the terms of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

Composition of the Committee and attendance of the Members at the meeting held during the year:

Name of the member of the Committee	Category of Director	Number of meetings attended
Shri Amit Kiran Deb, Chairman	Independent	2
Shri S. B. Ganguly	Independent	2
Shri C. K. Dhanuka	Independent	1

REMUNERATION POLICY

Executive Directors

The Nomination and Remuneration Committee takes into account experience, qualification and prevailing industry practices before giving its recommendations to the Board. The Board, based on the recommendations, decides the quantum of remuneration to be paid to Executive Directors, subject to approval by the shareholders in terms of the provisions of the Companies Act, 2013, read with Schedule V thereof and SEBI Listing Regulations, 2015, if applicable. The Committee aims to reward stellar performances on a periodic basis.

The Company has entered into agreement with each of the Executive Directors which may be terminated by either party by giving to the other party six months' notice of such termination.

Non-Executive Directors

The Non-Executive Directors are paid sitting fees of ₹50,000 (Rupees fifty thousand only) for attending Board meeting, ₹40,000 (Rupees forty thousand only) for attending Audit Committee meeting and ₹25,000 (Rupees twenty five thousand only) for attending each of other Committee meetings including Separate Meeting of Independent Directors.

The aggregate sitting fees paid to Non-Executive Directors for the FY2019-20 amounted to ₹32.50 lac (excluding GST). The Non-Executive Directors are also reimbursed expenses incurred for attending the meeting.

In recognition of their contribution, the Independent Directors are also entitled to receive a commission,

as approved by the Board of Directors in terms of approval of members under Section 149(9) of the Companies Act, 2013.

Criteria for payment to Non-Executive Directors

The Non-Executive Directors bring with them significant professional expertise and substantial benefits through their rich experience in finance, banking, legal, marketing, consumer behaviours and corporate strategy. Using their experience and knowledge, they safeguard the interest of investors by exercising appropriate control at various levels. The Company has also inducted them in the various committees of the Board – Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Finance Committee, Corporate Governance Committee, Corporate Social Responsibility Committee, Share Transfer Committee and Risk Management Committee.

Non-Executive Directors are paid sitting fees for attending the meetings of the Board/Committee(s) within the prescribed limits and profit related commission being paid to Non Executive Independent Directors under Section 149(9) of the Companies Act, 2013 as per the Company's Remuneration Policy for the inputs and guidance provided by them.

As per the provisions of SEBI Listing Regulations, 2015 the Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors and the Board. The Committee formulates evaluation criteria for the Independent Directors, which are broadly based on:

- Knowledge to perform the role;
- Time and level of participation;
- Level of oversight; and
- Professional conduct and independence.

In terms of Section 134 of the Companies Act 2013, the Directors' Report also includes a statement indicating the process that the Board has used for a formal annual evaluation of its own performance, performance of the Committees and the individual Directors of the Company.

Details of remuneration for the financial year 2019-20

(₹ in lac)

Sl. No	Name of Director	Sitting fees	Salary	Commission	Contribution to PF	Value of perquisites	Total
1	Shri R.S. Agarwal (Executive Chairman)	-	396.00	250.00	47.52	0.40	693.92
2	Shri R.S. Goenka (Whole-time Director)	-	396.00	250.00	47.52	0.40	693.92
3	Shri S.K. Goenka (Managing Director)	-	126.00	-	15.12	0.21	141.33
4	Dr. K.N. Memani (Independent Director)	2.75	-	7.50	-	-	10.25
5	Dr. Y.P. Trivedi (Independent Director)	3.00	-	4.50	-	-	7.50
6	Shri P. K. Khaitan (Independent Director)	2.75	-	4.50	-	-	7.25
7	Shri C. K. Dhanuka (Independent Director)	3.05	-	4.50	-	-	7.85
8	Shri S.B. Ganguly (Independent Director)	6.35	-	4.50	-	-	10.85
9	Shri Amit Kiran Deb (Independent Director)	6.10	-	4.50	-	-	10.60
10	Smt. Rama Bijapurkar (Independent director)	1.50	-	34.00	-	-	35.50
11	Shri Debabrata Sarkar (Independent Director)	2.25	-	4.50	-	-	6.75
12	Shri Mohan Goenka (Whole-time Director)	-	108.00	-	12.96	8.80	129.76
13	Shri A. V. Agarwal (Non-Executive Director)	4.75	-	-	-	-	4.75
14	Shri H. V. Agarwal (Whole-time Director)	-	108.00	-	12.96	0.40	121.36
15	Smt.Priti A.Sureka (Whole Time Director)	-	108.00	-	12.96	0.40	121.36
16	Shri Prashant Goenka (Whole-time Director)	-	108.00	-	12.96	0.40	121.36

Service contracts, notice period, severance fees:

Appointment of Whole-time Directors is on contractual basis for a period of five years with the notice period of six months from either side, and there is no provision of payment of severance fees.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: Not applicable

Shares held by the Non-Executive Directors as on 31st March, 2020

Sl. No.	Name of the Director	Category of Director	Number of shares
1	Dr. K.N. Memani	Independent	Nil
2	Dr. Y.P. Trivedi	Independent	Nil
3	Shri P.K. Khaitan	Independent	Nil
4	Shri C. K. Dhanuka	Independent	Nil
5	Shri Amit Kiran Deb	Independent	Nil
6	Shri S.B. Ganguly	Independent	Nil
7	Smt. Rama Bijapurkar	Independent	Nil
8	Shri A.V. Agarwal	Promoter Non-Executive	1,34,668
9	Shri Debabrata Sarkar	Independent	Nil

There is no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity other than receipt of sitting fees for the meetings of Board and Committees and profit linked commission and dividend on their shareholding, if any, in the Company.

3. Share Transfer Committee

The Share Transfer Committee was constituted on August 19, 2010.

The Share Transfer Committee comprises three (3) Executive Directors and one (1) Non-Executive Director. Shri A. K. Joshi, Company Secretary and Vice President - Legal, is the secretary of the Committee.

The Committee held four (4) meetings during the year on June 10, 2019, August 1, 2019, September 30, 2019 and February 15, 2020.

The functions of the committee include:

- Approval of transfer/transmission of securities of the Company;
- To deal with rematerialization requests and IEPF related matters;
- Overseeing of the performance of the registrar and share transfer agents of the Company;
- Redressal of shareholders' complaints relating to transfer of shares, non-receipt of annual reports and non-receipt of declared dividend, among others;
- Disposal of old stationeries of dividend

warrants, among others;

- Issue of duplicate share certificates;
- Recommending upgradation measures for the standard of service to investors;
- Any other matter(s) out of and incidental to these functions and such other acts assigned by the Board.

Composition, category of Directors and number of meetings attended:

Members	Category of Director	Number of meetings attended
Shri Mohan Goenka, Chairman	Promoter Executive	4
Shri A. V. Agarwal	Promoter Non-Executive	4
Shri H. V. Agarwal	Promoter Executive	3
Smt. Priti A. Sureka	Promoter Executive	3

4. Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted by the Board on August 19, 2010 under the name and styling of 'Investors' Grievance Committee' in terms of the then prevailing provisions of the Listing Agreement. The Board at its meeting held on May 5, 2014 changed the nomenclature of the committee as 'Stakeholders Relationship Committee' in line with the provisions of the Companies Act, 2013.

The Company complies with provisions of Regulation 20 of SEBI Listing Regulations, 2015

The Stakeholders Relationship Committee comprises two (2) Independent Directors and three (3) Promoter Executive Directors.

Shri A. K. Joshi, Company Secretary and Vice President - Legal, is the Secretary of the Committee.

The functions of the Committee include:

- Considering and resolving the grievances of security holders of the Company;
- Providing guidance for overall improvement in the quality of services to investors;
- Dissemination of factually correct information to investors and the public at large;
- Any other matter(s) out of and incidental to these functions and such other acts assigned by the Board.

The Committee held one (1) meeting during the financial year on February 06, 2020 wherein the

Committee reviewed the status of unclaimed shares, unclaimed dividend of previous years and the system of providing investors' services, among others.

Composition and attendance of the Members at the meeting:

Members	Category of Director	Number of meetings attended
Shri C. K. Dhanuka, Chairman	Independent	1
Shri S. B. Ganguly	Independent	1
Shri Mohan Goenka	Promoter Executive	1
Shri H. V. Agarwal	Promoter Executive	1
Shri Prashant Goenka	Promoter Executive	-

Shri A K Joshi Company Secretary & V P - Legal is the Compliance Officer as per the SEBI Listing Regulations, 2015.

During the year ended March 31, 2020, 8 complaints were received from shareholders, all of which have been attended to/resolved as of date. Details of the complaints received and redressed are given below:

Nature of complaint	Pending as on 1st April 2019	Received during the year	Disposed during the year	Pending as on 31st March, 2020
1. Non-receipt of dividend	Nil	3	3	Nil
2. Non-receipt of share certificate	Nil	3	3	Nil
3. Non-receipt of annual report	Nil	0	0	Nil
4. Others	Nil	2	2	Nil
Total	Nil	8	8	Nil

5. Finance Committee

The Finance Committee was constituted on May 28, 2008. Subsequently, the Board changed the nomenclature of the committee to 'Risk Management and Finance Committee' and assigned an additional responsibility of reviewing risk management aspects of the Company. However, in view of Regulation 21 of the SEBI Listing Regulations, 2015 a specific committee for Risk management was constituted by the Board on October 29, 2015 and the committee has now been renamed as the Finance Committee.

The Finance Committee comprises six (6) Directors, five (5) of whom are Executive Directors and one (1) is Non-Executive Director.

Shri A. K. Joshi, Company Secretary and Vice President - Legal, is the Secretary of the Committee.

The Committee held five (5) meetings during the year on April 23, 2019, June 4, 2019, August 21, 2019, December 18, 2019 and February 17, 2020.

The functions of the Committee include:

- Opening, modification and closure of bank accounts;

- Reviewing and considering periodical budgets of the Company and approval of capital expenditures;
- Execution of power of attorney for empowering executives and/or authorised representatives for business operations of the Company;
- Opening, modification and closure of trading and DEMAT accounts required for securities, derivatives, foreign currency and all other options;
- Consideration of matters relating to participation in bids/tenders/expressions of interest and all other business alliances and joint ventures, among others, if any;
- Any other matters(s) out of and incidental to these functions and such other acts assigned by the Board.

Composition, category of Directors and number of meetings attended:

Members	Category of Director	Number of meetings attended
Shri R.S. Goenka, Chairman	Promoter Executive	5
Shri S.K. Goenka	Promoter Executive	5
Shri Mohan Goenka	Promoter Executive	2
Shri A. V. Agarwal	Promoter Non-Executive	5
Shri H. V. Agarwal	Promoter Executive	4
Smt. Priti A. Sureka	Promoter Executive	4

6. Corporate Governance Committee

The Corporate Governance Committee was constituted by the Board on July 30, 2010.

The Corporate Governance Committee comprises three (3) Independent Directors and one (1) Promoter Executive Director of the Company.

Shri A. K. Joshi, Company Secretary and

Vice President - Legal, is the Secretary of the Committee

The functions of the committee include:

- Review of corporate governance practices;
- Review compliance with corporate governance across levels and offer suggestions for its furtherance wherever necessary;
- Enhancement of shareholders' value and protection of their interests;
- Building an environment of trust and confidence with an eye on corporate performance and accountability;
- Review of compliances as per the Listing Regulations.

The committee held one (1) meeting during the year on February 6, 2020.

Composition, category of Directors and number of meetings attended:

Members	Category of Director	Number of meetings attended
Shri S. B. Ganguly, Chairman	Independent	1
Shri R. S. Goenka	Promoter Executive	1
Dr. Y. P. Trivedi	Independent	1
Shri Amit Kiran Deb	Independent	1

7. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted on March 31, 2014.

The Corporate Social Responsibility Committee comprises five (5) Promoter Executive Directors and one (1) Non-Executive/Independent Director.

Shri A.K. Joshi Company Secretary and Vice President - Legal, is the Secretary of the Committee.

The Committee is delegated and empowered to do the following:

- Formulate and recommend to the Board, a corporate social responsibility policy,

which shall indicate the CSR activities to be undertaken by the Company as specified under the Companies Act, 2013;

- Recommend the amount of expenditure to be incurred on CSR activities;
- Monitor the expenses incurred as per the CSR policy of the Company from time to time;
- Any other matters as may be considered expedient by the members in furtherance of and to comply with the CSR policy of the Company.

The Committee held four (4) meetings during the year on May 27, 2019, August 7, 2019, November 06, 2019 and February 6, 2020.

Composition, category of Directors and number of meetings attended:

Members	Category of Director	Number of meetings attended
Shri S. K. Goenka, Chairman	Promoter Executive	4
Shri Amit Kiran Deb	Independent	4
Shri Mohan Goenka	Promoter Executive	4
Shri H. V. Agarwal	Promoter Executive	4
Smt. Priti A. Sureka	Promoter Executive	2
Shri Prashant Goenka	Promoter Executive	3

8. Risk Management Committee

In terms of Regulation 21 of the SEBI Listing Regulations, 2015, the Board constituted a Risk Management Committee on October 29, 2015. The risk management committee of the Board comprises six (6) Directors, five (5) of whom are Executive Directors and one (1) Independent Director.

Shri A. K. Joshi, Company Secretary and Vice President - Legal, is the Secretary of the Committee.

The Committee held four (4) meetings during the year on May 27, 2019, August 07, 2019, November 6, 2019, and February 6, 2020.

The functions of the Committee include:

- Review and monitoring of the enterprise risk management system of the Company;
- Review and monitoring of the risk mitigation plan of the Company;
- Any other matters(s) out of and incidental to these functions and such other acts assigned by the Board;

Composition, category of Directors and number of meetings attended:

Name of the Members	Category of Director	Number of meetings attended
Shri R.S. Goenka, Chairman	Promoter Executive	4
Shri S. B. Ganguly	Independent	4
Shri S.K. Goenka	Promoter Executive	4
Shri Mohan Goenka	Promoter Executive	4
Shri H. V. Agarwal	Promoter Executive	4
Smt. Priti A. Sureka	Promoter Executive	2

9. Buyback Committee

The Board at the Meeting held on March 19, 2020 considered and approved Buyback of equity shares from the open market and formed the buyback committee comprising four (4) board members Shri R. S. Goenka, Executive Director, Shri S. K. Goenka, Managing Director, Shri Mohan Goenka, Executive Director and Shri H. V. Agarwal, Executive Director to assist the Board in implementing the share Buy-back scheme in the best interest of the company.

Shri A. K. Joshi, Company Secretary and Vice President - Legal, is the Secretary of the Committee.

Functions of the committee includes the followings:-

- Preparation and issue of public announcement, post offer buyback announcement and related documents;

- Filing of public announcement, post offer buyback announcement or if any, related documents and also the certificates for declaration of solvency and other filings with the SEBI, ROC, the stock exchanges and other appropriate authorities
- Finalizing the terms of Buyback such as the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the Buyback;
- Appointment of depository participant, advisors, consultants or representatives and settlement of the remuneration for all such intermediaries/ agencies/ persons, including by the payment of commission, brokerage, fee, charges etc. and enter into agreements/ letters in respect thereof;
- Obtaining necessary certificates and reports from statutory auditors and other third parties as required under applicable law;
- Earmarking and making arrangements for adequate sources of funds for the purpose of the Buyback;
- The opening, operation and closure of cash escrow account and special account, if applicable in accordance with the escrow agreement to be executed by the Company in this regard;
- Opening, operation and closure of demat escrow account in accordance with the escrow agreement to be executed
- Opening, operation and closure of a trading account with a broker in accordance with the requirements;
- Extinguishment of dematerialized shares in respect of the Equity Shares bought back by the Company and filing of certificates of extinguishment;
- Any other matter relating thereto.

The Committee held one (1) meeting during the year on March 20, 2020 and all the members were present.

Separate meeting of the Independent Directors

A separate meeting of Independent Directors was held on February 7, 2020 without the presence of the Non-Independent Directors. In accordance with Schedule IV of the Companies Act 2013 and SEBI Listing Regulations, 2015 the following matters were, inter alia reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors;
- Assess the quality, quantity and timeliness of flow of information between the management and the Board, which is necessary for the Board to effectively and reasonably perform their duties.

Governance in subsidiary companies

The Audit Committee reviews the financial statements and investments made by the subsidiary companies. The Board reviews the minutes of the board meeting and statement of all significant transactions and arrangements and compliances of the subsidiary companies.

The policy for determination of materiality of subsidiaries can be accessed at: <http://www.emamiltd.in/investor-info/pdf/Policy-for-Determining-Materiality-of-Subsidiaries.pdf>

The Company does not have a material non-listed subsidiary.

The Company has complied with Regulation 24 of the SEBI Listing Regulations, 2015 with respect to the subsidiary companies.

During the year the Company had the following non-listed overseas subsidiary Companies:

1. Emami Bangladesh Ltd, a wholly-owned subsidiary of Emami Limited.
2. Emami International FZE, UAE, a wholly-owned subsidiary of Emami Limited.
3. Emami Overseas FZE, UAE, a wholly-owned subsidiary of Emami International FZE.

4. Pharma Derm SAE Co, Egypt, a 90.60%-subsidiary of Emami Overseas FZE.
5. Fravin Pty Ltd, Australia, a 85%-subsidiary of Emami International FZE.
- *6. Greenlab Organics Ltd., UK, a wholly-owned subsidiary of Fravin Pty Ltd.
7. Diamond Bio-tech Laboratories Pty Ltd. Australia, a wholly-owned subsidiary of Fravin Pty Ltd.
8. Abache Pty Ltd, Australia, a wholly-owned subsidiary of Diamond Bio-tech Laboratories Pty Ltd.
9. Emami Indo Lanka (Pvt.) Ltd., Sri Lanka, a wholly-owned subsidiary of Emami Limited.
10. Emami Rus (LLC), Russia, a 99.99% - subsidiary of Emami International FZE, UAE.
11. Creme 21, Germany a wholly-owned subsidiary of Emami International FZE, UAE.

**Greenlab Organics Ltd. was dissolved on 7th January, 2020.*

DISCLOSURES

a. Related-party transactions

In accordance with relevant provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015 the Company has formulated a policy on materiality of related-party transactions and on dealings with related-party transactions, which can be accessed at: <http://www.emamiltld.in/investorinfo/pdf/PolicyforTransactionswithRelatedParties.pdf>

All related-party transactions are approved by the Audit Committee prior to the transaction. Related-party transactions of repetitive nature are approved by the Audit Committee on an omnibus basis for one financial year at a time. All transactions pursuant to omnibus approval are reviewed by the Audit Committee on a quarterly basis.

A confirmation of compliance pertaining to related-party transaction as per SEBI Listing Regulations, 2015, is also sent along with the quarterly compliance report on corporate governance.

As per the Regulation 23(9) of the SEBI (LODR) Regulations the disclosures of related party transactions on a consolidated basis have been submitted by the company for the half year ended 30th September, 2019 to the Stock Exchanges and published the same on the website of the company. Disclosure for the half year ended 31st March, 2020 will be submitted to the stock exchanges within the stipulated time.

There were no materially-significant related-party transactions that may have potential conflict with the interest of the company at large and all contracts / agreements / transactions entered into during the period with the related parties were carried out at an arm's length basis at fair market value.

Details of such transactions as per requirements of IND-AS24 are disclosed in Note 3.52 to the audited accounts. A statement of these transactions was also placed before the Audit Committee and in the Board meetings from time to time.

b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There has been no instance of any non-compliance.

c. Fair Disclosure Code

Pursuant to Regulation 8 read with Schedule A of the PIT Regulations, 2015, the Board of Directors of the Company adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) which lays down principles and practices to be followed by the Company pertaining to universal disclosure of UPSI.

The said Code is available on the Company's website at: <http://www.emamiltld.in/investorinfo/pdf/Code OfProcedure AndPractice For Fair Disclosure0001.pdf>

d. Accounting treatment in preparation of financial statements

The Company followed the guidelines as laid

down in the IND-AS, prescribed by the Institute of Chartered Accountants of India, for the preparation of the financial statements.

e. Risk management

The Company has framed a comprehensive enterprise risk management policy and a new risk register, not only to manage risks but also to minimise their impact. This policy is periodically reviewed by the management and the risk management committee in consultation with reputed and specialised consultants. The policy is updated as per requirements to ensure that the risks are properly dealt and mitigated. The risk management procedures are discussed and reviewed by the Risk Management Committee, Audit Committee and the Board of Directors, every quarter.

f. Proceeds from public issues, right issues and preferential issues, among others

The Company did not have any of the above issues during the year under review.

g. Management discussion and analysis report

The Company's annual report has a separate section for detailed management discussion and analysis.

h. Observance of the secretarial standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India has issued secretarial standards on board meetings, general meetings and also issued draft secretarial standards for payment of dividend, maintenance of register and records, minutes of meetings, transmission of shares and debentures, passing of resolution by circulation, affixing of common seal among others. The Ministry of Corporate Affairs has mandated SS-1 and SS-2 with respect to board/committee meetings and general meetings respectively. The Company has complied with these two standards and voluntarily complied with the other standards.

i. Audit report for reconciliation of share capital

M/s. MKB & Associates, Company Secretaries, carried out a share capital audit to reconcile the

total admitted equity share capital with the NSDL and the CDSL and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with the NSDL and the CDSL.

j. Disclosure on compliance with corporate governance requirements specified in SEBI Listing Regulations, 2015

The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the SEBI Listing Regulations, 2015.

The Company has complied with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015 (as applicable) and necessary disclosures thereof have been made in this Corporate Governance Report.

k. Disclosure on commodity price risks or foreign exchange risk and hedging activities

The Company is subject to market risks with respect to commodity price fluctuations for a wide range of materials, which are drawn from the agricultural and petrochemical value chains. The Company hedges its exposure to commodity risks through a judicious mix of long-term contracts for seasonal items and strategic buying initiatives for other commodities as and when required. A robust framework and governance mechanism is in place to ensure that the Company is effectively safeguarded from market volatilities in terms of price and availability. A robust planning and strategy framework ensures that the Company's interests are protected despite volatilities in commodity prices. With regard to foreign exchange risks, keeping in view the position of rupee in the market vis-à-vis foreign currency, the Company has been taking forward cover for foreign currency exports and imports from time to time and the same are fully-hedged at the time of inception itself, as per the forex policy framework of the Company.

l. Disclosure of payment to statutory auditors and other firms under network of the statutory auditors:

During the financial year ended March 31, 2020, the Company has paid the following amounts to M/S S.R. Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors of the Company and other firms in the network of which the Statutory Auditor is a part

Particulars	Amount (₹ in lac)
Audit fee paid to M/S S.R. Batliboi & Co. LLP	111.00
Non audit fees paid to Ernst & Young LLP for:	
Management Consultancy	194.11
Taxation services	1.77

m. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year under review, the company has received 3 complaints out of which 2 were redressed as per policy and law and 1 complaint is in progress at the end of the financial year.

**GENERAL SHAREHOLDERS' INFORMATION
Resignation /Appointment of Director**

In accordance with provisions of Section 152 of the Act read with Rules made thereunder, Shri Mohan Goenka (DIN 00150034), Shri Prashant Goenka (DIN 00703389) and Smt. Priti A Sureka (DIN 00319256) are liable to retire by rotation at the 37th Annual General Meeting and being eligible, offer themselves for reappointment.

The Board of Directors reappointed Smt. Priti A Sureka, as Whole-time Director of the Company upon completion of her present term on 29th January 2020 for a period of five years subject to approval of the members in the ensuing Annual General Meeting.

GENERAL BODY MEETINGS

The location and time of the last three Annual General Meetings and special resolutions passed therein were as follows:

For March 31, 2019: Thursday, August 8, 2019 at South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068 at 11.30 a.m. There was no special resolution required to be passed at the Meeting.

For March 31, 2018: Wednesday, August 1, 2018 at South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068 at 11.30 a.m.

Special resolutions passed: 1.Reappointment of Smt.Rama Bijapurkar as an Independent Director for a period of five years. 2. Continuation of directorship of Dr. Y. P. Trivedi, Dr. K. N. Memani, Shri S.B Ganguly and Shri P.K. Khaitan who were re-appointed as Independent Directors of the Company on attaining the age of 75 years.

For March 31, 2017: Wednesday, August 2, 2017 at South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068 at 11.30 a.m.

Special resolutions passed: 1. Reappointment of Dr. K. N. Memani as an Independent Director for a term of five years. 2. Reappointment of Dr. Y. P. Trivedi as an Independent Director for a term of five years. 3. Reappointment of Shri S. B. Ganguly as an Independent Director for a term of five years. 4. Reappointment of Shri A. K. Deb as an Independent Director for a term of five years. 5. Reappointment of Shri P. K. Khaitan as an Independent Director for a term of five years. 6. Reappointment of Shri M. D. Mallya as an Independent Director for a term of five years. 7. Reappointment of Shri R. S. Agarwal as an Executive Chairman of the Company. 8. Reappointment of Shri R. S. Goenka as a Whole-time Director of the Company.

Whether any special resolution passed through postal ballot in the previous year: None

Whether any special resolution is proposed to be conducted through postal ballot: None

Details of resolutions passed through e-voting: In compliance with the provisions of Section 108

of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company provided members the facility of evoting as provided by CDSL to exercise their right to vote on resolutions transacted at AGM.

Green initiatives undertaken as per the directives of the Ministry of Corporate Affairs, Government of India

The Company as a responsible corporate citizen welcomes and supports the green initiatives taken by the Ministry of Corporate Affairs, Government of India by its circular, enabling electronic delivery of documents to the shareholders. The Company has already implemented sending of the communication to the shareholders by electronic mode at their e-mail addresses registered with the depository/ registrar and share transfer agent and all such communications were immediately uploaded at the Company's website. This helped in prompt delivery of documents while avoiding loss in transit.

The Company had requested the shareholders to register their e-mail IDs with the registrar and share transfer agents of the Company or to their depository participants so as to enable the Company to use the same for serving documents to them electronically.

Annual Report is being sent to all shareholders through email and also available on the website of Company, Stock Exchanges and CDSL as per directive of MCA & SEBI due to COVID-19.

Consolidation of folios and avoidance of multiple mailing

The members who are holding multiple folios are requested to consolidate their holdings under single folio to avoid multiple mailing which will reduce cost and duplicity of efforts.

Code for prevention of insider trading practices

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company Secretary is the compliance officer and is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price-sensitive information, pre-clearance of

trade, monitoring of trades and implementation of the code of conduct for trading in Company's securities under the overall supervision of the Board.

The Company has adopted a code of conduct for prevention of insider trading as well as a code of corporate disclosure practices.

All the Promoters, Directors on the Board, senior management and other employees who could be privy to unpublished price-sensitive information of the Company are governed by this code.

The Company has also formulated code of practices and procedures for fair disclosure of unpublished price-sensitive information, which is available on the Company's website: www.emamilttd.in

The Board has also formulated policy of legitimate purpose for sharing of unpublished price-sensitive information as part of code of practices and procedures for fair disclosure of unpublished price-sensitive information.

Foreign exchange risk management policy

With an objective to indemnify the Company as a result of foreign exchange fluctuations, the Company has framed a structure of foreign exchange risk management policy which elaborates on the process of risk management and to protect profits/insulate itself against losses on account of forex fluctuations.

Dividend distribution policy

As required under Regulation 43A of the SEBI Listing Regulations 2015, Dividend Distribution policy is given separately in the Annual Report and same is also available at the Company's website at: www.emamilttd.in

Means of communication

i. Quarterly /Annual results

Financial results of the Company are published in The Business Standard (In English) and Ei Samay and Akaal (in Bengali) and are displayed on the Company's website at: www.emamilttd.in

ii. Presentations/News releases

Presentations and official press release made to

the media, analysts, and institutional investors, among others are displayed on the Company's website at: www.emamilttd.in. The same are also disseminated to the stock exchanges as per the SEBI Listing Regulations, 2015.

iii. Website

The Company's corporate website www.emamilttd.in contains comprehensive information. An exclusive section is for investors wherein annual reports, quarterly/half-yearly financial results, notices, shareholding patterns and policies, among others, are available for reference or download.

iv. Annual report

The annual report containing inter alia audited annual accounts, consolidated financial statements, reports of the auditors and directors, chairman's statement, management discussion and analysis report and other important information is circulated to the members and displayed on the Company's website.

v. Designated exclusive e-mail ID

The Company has designated e-mail ID exclusive for investor services: investors@emamigroup.com, which has been displayed on the Company's website at: www.emamilttd.in

vi. Intimation to stock exchanges

The Company intimates the stock exchanges

about all price-sensitive information or such other matters which in its opinion are material and of relevance to the shareholders.

vii. Investor relations

The Company's executives participate in investor meetings including conferences in India and abroad from time to time organized by financial institutions, analyst and broking houses. A conference call is done every quarter after declaration of financial results to address the queries of analysts.

Shareholders' information

Date, time and venue of the annual general meeting

The 37th Annual General Meeting for the financial year 2019-20 will be held on 18th September, 2020 at 11:30 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

Electronic voting: Pursuant to Section 108 and other applicable provisions of the Companies Act 2013, read with Companies (Management and Administration) Rules 2014, remote e-voting will be made available at the 37th Annual General Meeting. The voting will begin from Monday 14th September, 2020 and end on Thursday 17th September, 2020 (both days inclusive) from 9 a.m. to 5 p.m.

Financial calendar

Financial year: April 1, 2019 to March 31, 2020

The board meetings for approval of financial results for financial year 2019-20 were held on the following dates:

Period	First quarter	Second quarter	Third quarter	Fourth quarter and annual results
Date	August 8, 2019	November 6, 2019	February 7, 2020	June 26, 2020

The tentative dates of the board meetings for consideration of quarterly and annual financial results for the financial year 2020-21 are as follows:

Period	First quarter	Second quarter	Third quarter	Fourth quarter and annual results
Date	On or before August 14, 2020	On or before November 14, 2020	On or before February 14, 2021	On or before May 30, 2021

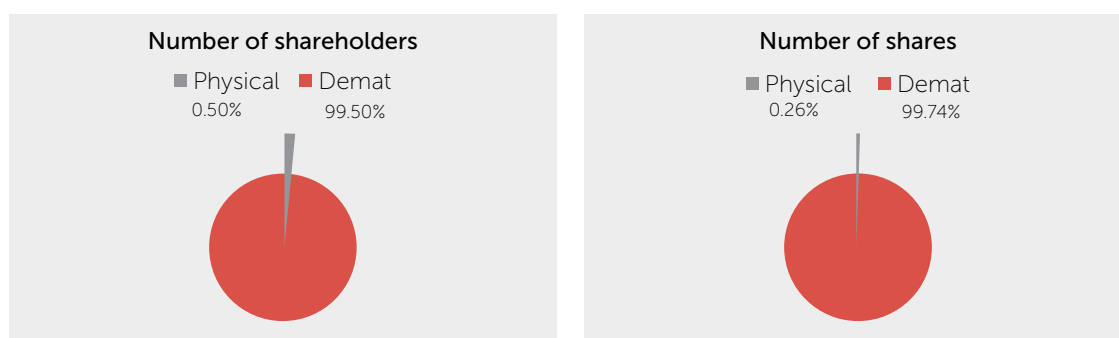
Market Information

Listing on stock exchanges

The Company's shares are listed on the following stock exchanges and the listing fees have been duly paid:

Name and address of the exchange	Stock code
The National Stock Exchange of India Ltd Exchange Plaza, Bandra- Kurla Complex, Bandra (E) Mumbai 400 051, India	EMAMILTD
BSE Ltd Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 023, India	531162
The Calcutta Stock Exchange Ltd 7, Lyons Range, Kolkata-700001, India	18136

Number of shareholders and shares held in physical and dematerialised form as on March 31, 2020:



Dematerialisation of shares and liquidity as on March 31, 2020

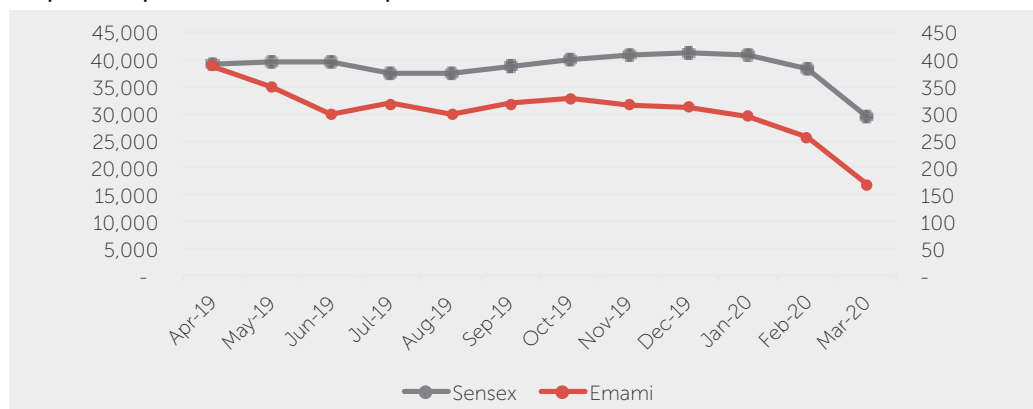
Nature of holding	Holders	Percentage	Shares	Percentage
DEMAT	83672	99.50	452772997	99.74
Physical	418	0.50	1162241	0.26
Total	84090	100.00	453,935,238	100.00

Emami share price at BSE and NSE

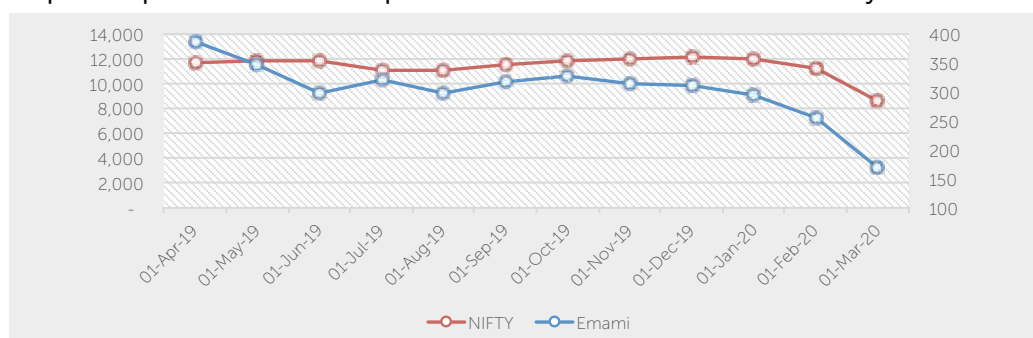
April 2019-March 2020 (Face value of shares: ₹1 each)

Month	Emami share price on BSE			Emami share price on NSE		
	High	Low	Close	High	Low	Close
April 2019	416.40	382.40	386.45	415.40	382.00	387.20
May 2019	389.00	334.75	347.50	388.35	332.95	348.30
June 2019	353.90	246.00	298.70	354.25	245.90	299.10
July 2019	348.75	291.35	319.80	330.00	291.35	320.10
August 2019	325.50	275.05	297.30	325.80	280.00	297.00
September 2019	345.00	289.85	318.20	343.00	289.55	318.60
October 2019	355.00	287.05	327.00	355.40	295.10	327.15
November 2019	335.10	310.05	315.05	335.60	312.10	315.15
December 2019	336.00	299.25	309.80	336.00	298.60	309.90
January 2020	357.00	290.10	294.55	357.70	290.00	294.70
February 2020	324.00	252.45	256.45	325.00	252.25	256.55
March 2020	263.20	140.85	170.00	263.25	130.95	169.95

Graphical representation of share price of Emami Limited at BSE vis-à-vis S&P BSE Sensex



Graphical representation of share price of Emami Limited at NSE vis-à-vis Nifty



Commercial papers

During the year, the Company availed short-term fund requirements by way of issue of commercial papers which were later listed on National Stock Exchange (NSE) as per the guidelines of SEBI & Reserve Bank of India. The Company has received credit ratings for the short-term borrowing from CARE and CRISIL. Credit Ratings given by CARE and CRISIL are CAREA1+ and CRISILA1+ respectively.

Registrar and Share Transfer Agent

M/s Maheshwari Datamatics Private Limited
23, R. N. Mukherjee Road, Kolkata – 700001
West Bengal, India
Telephone: 91- 033- 2248 2248, 2243
5809/5029
Fax: 91-033-2248 4787
E-mail:mdpldc@yahoo.com

All activities in relation to share transfer facility are maintained by the registrar and share transfer agent of the Company; a compliance certificate in this respect duly signed by the compliance officer and the authorised representative of the share transfer agent is submitted to the exchanges within one month from the end of each half of the financial year with the requirements of Sub- regulation 7(3) of SEBI

Listing Regulations, 2015. As per SEBI Guidelines no transaction for transfer of securities of a listed company can happen in physical certificate form from 1st April, 2019.

Applications for transmission etc. of shares held in the physical form are received at the office of the registrar and share transfer agent of the Company. All valid requests are processed within 15 days from the date of receipt.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order in all respects. Bad deliveries are immediately returned to depository participants under advice to the shareholders.

Pursuant to the provisions of Regulation 40(9) of SEBI Listing Regulations, 2015, a certificate on the compliance of share transfer formalities on half yearly basis, as a quarterly certificate for timely dematerialization of the shares as per SEBI (Depositories & Participants) Regulation, 2018 are sent to the stock exchanges where the shares are listed.

Reconciliation of share capital audit report

Reconciliation of share capital audit report by M/s. MKB & Associates, Company Secretaries,

for reconciliation of the share capital confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and total number of dematerialised

shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the audit report is submitted to the stock exchanges where the Company's shares are listed.

Distribution of shareholding by size as on March 31, 2020

Shareholding of nominal Value (₹1/-)	Shareholders		Share amount	
	Number	% of total	₹	% of total
Up to - 500	75,795	91.21	77,72,761	1.71
501 - 1,000	3,943	4.74	27,84,568	0.61
1,001 – 2,000	1,645	1.98	23,32,875	0.51
2,001 – 3,000	542	0.65	13,13,254	0.29
3,001 – 4,000	231	0.28	8,04,543	0.18
4,001 – 5,000	161	0.19	7,24,106	0.16
5,001 – 10,000	308	0.37	22,20,672	0.49
10,001 and above	478	0.58	435,982,459	96.05
Grand total	*83,103	100.00	453,935,238	100.00

*Number of Shareholders are as per PAN

Shareholding pattern as on 31st March, 2020

Category	Number of shares held	% of shareholding
Promoters and promoter group holding	239,393,412	52.74
Public		
1. Institutional investors		
a. Mutual funds and UTIs	112,908,029	24.87
b. Alternate investment funds	17,131,163	3.77
c. Banks, financial institutions and insurance companies	12,788,779	2.82
d. Foreign institutional investors	31,784,737	7.00
Sub-total	174,612,708	38.46
2. Central Government / State Government(s) / President of India	0	0.00
3. Others		
a. Private corporate bodies	14,719,355	3.24
b. Indian public	22,270,494	4.91
c. NRIs/OCBs	1,302,820	0.29
d. NBFCs	5,955	0.00
e. Trusts	10,597	0.00
f. Clearing members	1,334,619	0.29
g. Foreign nationals	550	0.00
Sub-total	39,929,118	8.80
Grand total	453,935,238	100.00

Top-ten shareholders as on 31st March, 2020

Sl. No.	Name	No. of shares held	% of shareholding
1	Diwakar Viniyog Private Limited	49533849	10.91
2	Suntrack Commerce Private Limited	49134107	10.82
3	Bhanu Vyapaar Private Limited	43765902	9.64
4	SBI Consumption Opportunities Fund	31486699	6.94
5	Raviraj Viniyog Private Limited	21456984	4.73
6	Prabhakar Viniyog Private Limited	20491492	4.51
7	Suraj Viniyog Private Limited	20005848	4.41
8	DSP Dual Advantage Fund	17479026	3.85
9	L & T Mutual Fund Trustee Limited	14158266	3.12
10	Mirae Asset Emerging Bluechip Fund	12251760	2.70

Corporate benefits offered to investors during the year:

Dividend FY2018-19

On 14th August, 2019 the company has made payment of Dividend @ ₹ 4/- per share for the FY2018-19

1st Interim and 2nd Interim Dividend FY19-20

On November 6, 2019 the Board of Directors declared payment of interim Dividend @ ₹ 2/- per shares for the Financial Year 2019-20 which was paid to all the shareholders registered in the Register of Members maintained by the Register and Share Transfer Agent of the company and the Depositories on the Record date i. e. November 15, 2019 fixed for determining entitlement of interim dividend.

On March 19, 2020 the Board of Directors declared further payment of 2nd Interim Dividend @ ₹ 2/- per share for the Financial Year 2019-20 which was paid to all the shareholders registered in the Register of Members maintained by the Register and Share Transfer Agent of the company and the Depositories on the Record date i. e. March 27, 2020 fixed for determining entitlement to the 2nd Interim Dividend.

Unclaimed dividends

Unclaimed dividend for FY2011-12, amounting to ₹ 12,86,288/- was transferred into Investors Education & Protection Fund (IEPF) of the Central Government on September 16, 2019 in compliance with Section 124 the Companies Act, 2013.

The dividend which remains unclaimed for seven years from the date it is lying in the unpaid dividend account will be transferred to the IEPF on the date given hereunder in table:

Financial Year	Type of Dividend	Date of Declaration	Due date for transfer to IEPF
2012-13	Final	7th August 2013	12th September 2020
2013-14	Interim	20th January 2014	20th February 2021
2013-14	Final	9th August 2014	12th June 2021
2014-15	Interim	17th September 2014	14th October 2021
2014-15	Final	5th August 2015	9th September 2022
2015-16	Final	3rd August 2016	10th August 2023
2016-17	Interim	6th March 2017	22nd April 2024
2016-17	Final	2nd August 2017	4th September 2024
2017-18	Final	1st August 2018	3rd September 2025
2018-19	Final	8th August 2019	9th September 2026

The members who have not yet encashed their dividend warrants are requested to send their request for issue of duplicate warrants. The particulars of unpaid dividend for the previous seven years were filed with the Ministry of Corporate Affairs and uploaded on the Company's website at: www.emamiltd.in.

Equity shares lying with the Company in suspense account as per Listing Regulations

As per the provisions of Regulation 39(4) of the SEBI Listing Regulations, 2015, the unclaimed share certificates which were lying in the possession of the Company were transferred into a special demat account held by the Company. This account is being held by the Company purely on behalf of the shareholders entitled for these shares.

33 equity shares of Emami Realty Ltd.(earlier Emami Infrastructure Ltd.) allotted in terms of scheme of arrangement between Emami Limited,

Zandu Pharmaceutical Works Limited and Emami Infrastructure Limited, are lying in the suspense account as on March 31, 2020.

It may also be noted that the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares.

Shareholders who have not yet claimed their shares are requested to immediately approach the registrar and transfer agents of the Company by forwarding a request letter duly signed by all the joint holders furnishing their complete postal address along with pin code, self-attested copies of PAN card and proof of address, and for delivery of shares in demat form - a copy of demat account - client master report duly certified by the depository participant (DP) and a recent demat account statement, to enable the Company to release the said shares to the rightful owner.

The status of equity shares lying in the unclaimed suspense account is given below:

Particulars	No. of Shareholders	No. of Equity shares held
Aggregate number of shareholders and the outstanding shares in the 'Emami Ltd Unclaimed Securities Suspense Account' lying at the beginning of the year.	29	13,906
Number of shareholders along with shares held whose shares transferred in 'Emami Ltd Unclaimed Securities Suspense Account' during the year.	NIL	NIL
Number of shareholders along with shares held who approached the Company for transfer of shares from suspense account during the year.	1	224
Number of shareholders along with shares held whose shares have been transferred to Investor Education and Protection Fund	6	1304
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	22	12,378

Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Transfer of unclaimed shares to Investor Education & Protection Fund (IEPF)

As per provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has issued individual notice through registered post to all the shareholders whose dividends were lying unclaimed for consecutive seven years and a public notice in this respect has been given in English and vernacular newspapers and details of such shareholders were uploaded on the Company's website.

During the financial year, the Company has transferred 1,08,762 equity shares, on which

dividend were unclaimed for seven consecutive years, to the IEPF of the Central Government maintained with the CDSL within the prescribed time.

2,84,728 equity shares of the Company are lying in the IEPF account of the Central Government maintained with the CDSL as on 31st March 2020. The Company has uploaded the Guidelines for claiming the shares transferred to IEPF account of the Central Government at the Company's website at www.emamiltd.in. During the year, the Company has received two claims for 684 shares which were rejected as the documents were not in conformity with the rules prescribed by the IEPF authority.

Dividend history of the Company with EPS and payout ratio:

Financial year	Dividend (%)	Dividend per share (₹)	Earnings per share (₹)	Payout Ratio* (%)
2012-13	800%	8.00	20.80	45.00%
2013-14	Interim: 300%	7.00	17.73	46.24%
	Final: 400%			
2014-15	Interim: 400%	7.00	21.40	38.75%
	Final: 300%			
2015-16	700%	7.00	15.82	53.26%
2016-17	Interim: 175%	1.75	14.98	55.00%
	Final: 525%	5.25		
2017-18	700%	7.00	13.64	61.90%
2018-19**	400%	4.00	13.85	72.20%
2019-20	200% (1st Interim)	2.00	14.08	75.70%
	200% (2nd Interim)	2.00		

*Including dividend distribution tax

**During the year 2018-19, the Company has issued Bonus share in the ratio of 1:1

Correspondence regarding change of address, among others

Shareholders are requested to ensure that any correspondence for change of address and change in bank mandates among others should be signed by the first named shareholder. The Company is now further requesting for supporting documents such as proof of residence and proof of identification, whenever a letter requesting for change of address is received. This is being done in the interest of shareholders, to avoid fraudulent change of the registered address of shareholders by unscrupulous parties. Shareholders are requested to kindly cooperate and submit the necessary documents/evidence while sending the letters for change of address. Shareholders who hold shares in dematerialised form should correspond with the depository participant with whom they have opened demat account(s).

The Company has entered into agreements with both the NSDL and the CDSL, whereby shareholders have an option to dematerialise their shares with either of the depositories.

Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity

None

Plant locations

Assam

Amingaon

EPIP Complex Amingaon,
Guwahati, Assam – 781031

Abhoypur

Abhoypur Plant P.O. College Nagar, Abhoypur,
Guwahati, Assam – 781031

Pacharia

Pacharia Nalgur Road, Pacharia,
Dolarpathar, Kamrup, Assam – 781104

Maharashtra

Sanjan Village,
Dongari, Taluka Talasari, Maharashtra-401601

Gujarat

Plot No. 82,G I D C, Vapi,
Gujarat -396194

Uttarakhand

Plot No 40 & 41, Sector 5, IIE, Pantnagar,
Udhamsingh Nagar, Uttarakhand - 263 152

Dadra and Nagar Haveli

Survey No. 61/2, Plot No. 1,
Village Masat, Silvassa,
Dadra and Nagar Haveli – 396230

Representing officers

Compliance officer

Shri A. K. Joshi,
Company Secretary and Vice President -Legal

Institutional investors/Financial analysts

Shri Rajesh Sharma, Senior Vice President- Finance
and Investor Relations

Indian retail investors

Shri Ashok Purohit, Assistant Company Secretary

Communication address of the above officers

Emami Limited
Emami Tower,
687, Anandapur, E M Bypass,
Kolkata 700107,
West Bengal
investors@emamigroup.com
T + 91- 033 - 6613 6264
F +91-033-6613 6600

Registrar and share transfer agents

M/s Maheshwari Datamatics Private Limited,
23, R. N. Mukherjee Road,
Kolkata-700001,
West Bengal, India

Contact Person:

Shri S Rajagopalan,
Vice President and Compliance Officer
Telephone:91-033-2248 2248,2243 5809/5029
Fax: 91-033-2248 4787,
E-mail :mdpldc@yahoo.com

Communication channels:

Category	Channels
Shareholders	Annual reports, shareholders meetings, formal communications, website announcements, e-mails and newspaper publications
Financial analysts	Annual reports, press releases and website announcements
General public	Website announcements and newspaper publications

Details of publication of financial results

Quarter / year ended	National	Vernacular
31.03.2019	Business Standard (published on May 27, 2019)	Ei Samay (published on May 27, 2019)
30.06.2019	Business Standard (published on August 8, 2019)	Ei Samay (published on August 8, 2019)
30.09.2019	Business Standard (published on November 6, 2019)	Ei Samay (published on November 6, 2019)
31.12.2019	Business Standard (published on February 7, 2020)	Ajkaal (published on February 7, 2020)

CEO's (Managing Director)/CFO's certification

The CEO's and CFO's certification, as required by SEBI Listing Regulations, 2015, is enclosed at the end of the report.

Report on corporate governance

The quarterly compliance report has been submitted to the stock exchanges where the Company's equity shares are listed in the prescribed format as per SEBI Listing Regulations, 2015, duly signed by the company secretary.

Compliance requirements

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of the regulations are as below:

Mandatory requirements

The Company was fully-compliant with the mandatory requirements of the SEBI Listing Regulations, 2015.

Non-mandatory requirements:**1. The Board (maintenance of Chairman's office):**

The Company has an Executive Chairman and as such does not require a Non-Executive Chairman's Office.

2. Shareholders' rights

The quarterly and half-yearly financial results are published in widely-circulating national and local dailies and are displayed on the Company's website: www.emamilttd.in.

3. Audit qualification

There is no audit qualification given in the Auditors' Report.

4. Separate posts of Chairman, Managing Director and CEO

The Company has separate persons as Executive Chairman and Managing Director. Shri R.S. Agarwal is the Executive Chairman, whereas Shri Sushil Kr. Goenka is the Managing Director of Emami Limited and also designated as the CEO for the said purpose.

5. Reporting of internal auditor

The Company has a well-defined and structured internal audit control system to ensure reliability of operational and financial information, statutory/regulatory compliances and safeguard of the assets of the Company. The internal auditor reports directly to the Audit Committee.

Certificate of Non-Disqualification of Directors

To
The Members,
Emami Limited

Based on our verification of the books, papers, registers, forms, returns, disclosures received from the Directors and other records maintained by Emami Limited, CIN: L63993WB1983PLC036030 having its Registered office at 687, Anandapur, E.M. Bypass, Kolkata - 700 107, West Bengal ("the Company") and also the information provided by the Company, its officers, agents and authorized representatives for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the verification of the portal www.mca.gov.in, including Directors Identification Number (DIN) status at the portal, we hereby certify that during the Financial Year ended on March 31, 2020, in our opinion, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such Statutory Authority.

It is the responsibility of the management of the Company for ensuring the eligibility for the appointment/continuity of every director on the board of the Company. Our responsibility is to express an opinion based on our verification.

For MKB & Associates
Company Secretaries

Manoj Banthia
(Partner)

ACS no. 11470

COP no. 7596

FRN: P2010WB042700

UDIN: A011470B000388341

Date: 26.06.2020

Place: Kolkata

Certification by Managing Director and CEO-Finance, Strategy and Business Development and CFO of the Company

We, Sushil Kr. Goenka, Managing Director and N H Bhansali, CEO-Finance, Strategy and Business Development and CFO of Emami Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements of the Company for the year ended March 31, 2020, and all its schedules and notes on accounts, as well as the cash flow statement.
2. To the best of our knowledge and information:
 - a. these statements do not contain any materially untrue statement or omit to state a material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. We also certify that based on our knowledge and information provided to us, there are no transactions entered into by the Company, which are fraudulent, illegal or violate the Company's code of conduct.
4. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures.
5. The Company has disclosed where ever applicable, to the Company's auditors and to the audit committee of the Company, the following:
 - a. All significant deficiencies in the design or operation of internal controls, which we are aware and have taken steps to rectify these deficiencies;
 - b. Significant changes in internal control during the year;
 - c. Any fraud, which we have become aware of and that involves Management or other employees who have significant role in the Company's internal control systems;

We further declare that all members of the Board and Committees and all employees working at the level of head of the department have affirmed compliance with the Code of Conduct of the Company for the financial year 2019-20.

Date: 26th June, 2020

Place: Kolkata

Sushil Kr Goenka

Managing Director

N H Bhansali

*CEO-Finance, Strategy &
Business Development and CFO*

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The members of
Emami Limited

1. The Corporate Governance Report prepared by Emami Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ("Applicable criteria") for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

- i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
- ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
- iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

- iv. Obtained and read the minutes of the following committee meetings / other meetings held April 01, 2019 to March 31, 2020:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM)
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Risk Management Committee
 - (g) Independent Directors Meeting
 - (h) Finance Committee
 - (i) Corporate Governance Committee
 - (j) Corporate Social Responsibility Committee
 - v. Obtained necessary declarations from the directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 1 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Place of Signature: Kolkata

Sanjay Kumar Agarwal

Date: June 26, 2020

Partner

Membership Number: 060352

UDIN: 20060352AAAACG9105

Business Responsibility Report



Introduction

Emami views sustainability as being socially cognizant along with delivering stakeholder expectations. The company believes that overall growth can be strengthened if the entire society is made inclusive. To achieve this vision, the Company strives to create value for its stakeholders by elevating the quality of life across the entire socio-economic spectrum.

This report conforms to the Business Responsibility Reporting requirement of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') and the National Voluntary guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, India. This Report is one of the avenues to communicate the Company's obligations and performance to all its stakeholders for FY 2019-20.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN):	L63993WB1983PLC036030
2.	Name of Company:	Emami Limited
3.	Registered Address:	Emami Tower, 687, Anandapur, E.M. Bypass, Kolkata 700107, West Bengal
4.	Website:	www.emamilttd.in
5.	Email ID:	investors@emamigroup.com
6.	Financial Year Reported:	2019-20

7. Sector(s) that the Company is engaged in (industrial activity code-wise): Emami is a Fast-Moving Consumer Goods (FMCG) company and operates in niche consumer and healthcare product categories like Cooling Oils, Balms, Antiseptic cream, Fairness creams for men and Ayurvedic Hair and Scalp Care Oils. The principle products of the Company with Industrial Activity code are:

Sl. No.	Product	Industrial Activity Code
1.	Navratna Cool Oil	30049011
2.	Zandu and Mentho Plus Balm	30049011
3.	BoroPlus Antiseptic Cream	30049011
4.	Fair and Handsome Cream	33049910
5.	Kesh King Ayurvedic Hair & Scalp Care Oil	30049011

8. List Key products / services that the Company manufactures/ provides:

- i. Navratna Cool Oil
- ii. Zandu and Mentho Plus Balm
- iii. BoroPlus Antiseptic Cream
- iv. Fair and Handsome Cream
- v. Kesh King Ayurvedic Hair & Scalp Care Oil

9. Total number of locations where business activity is undertaken by the Company:

i. Number of International Locations (Details of major 5) -

Emami operates through various overseas subsidiaries and has presence in 60+ countries with a manufacturing unit in Bangladesh as well. Major geographies where Emami operates in are:

- a. South Asian Association for Regional Cooperation (SAARC)
- b. Middle East, North Africa and Pakistan (MENAP)
- c. South East Asia and Australia (SEAA)
- d. CIS and Eastern Europe (CISEE)
- e. Africa

ii. Number of National Locations:

Emami carries out its operations through its Head Office in Kolkata, 4 regional offices, 7 manufacturing units and 26 depots across India.

10. Markets Served by the Company:

Indian market, export and operations in International geographies as above.

SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON 31ST MARCH 2020

1.	Paid Up Capital (INR):	₹ 45.4 crore
2.	Total Turnover (INR):	₹ 2,655 crore
3.	Total Profit after Taxes (INR)	₹ 303 crore
4.	Total spending on CSR as a percentage of Profit After Tax	2%
5.	List of activities in which expenditure in point 4 above has been incurred	<p>a. Promoting Education and Enhancing Vocational Skills</p> <p>b. Promoting Healthcare Water and Sanitation</p> <p>c. Social Upliftment Programmes</p>

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies? : Yes
- Do the Subsidiary Company / Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies):

Emami has following subsidiaries as under:

- Emami Bangladesh Ltd.
- Emami International FZE
- Emami Indo Lanka Pvt. Ltd.
- Emami Overseas FZE
- Emami Rus LLC
- Creme 21 GmbH
- Pharmaderm Company SAE
- Fravin Pty Ltd.
- Diamond Bio-Tech Laboratories Pty Ltd.
- Abache Pty Ltd.
- Greenlab Organics Ltd *

* Greenlab Organics Ltd was dissolved during the year under review.

The Business Responsibility policies of the subsidiaries are in line with the Company's requirements.

- Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities (Less than 30%, 30-60%, more than 60%).

The Business Responsibility policies are applicable to the management and all the employees of the Company, its subsidiaries and associates companies. Emami Limited encourages adoption of BR initiatives by its Business Partners. Based on dialogue with the suppliers and distributors of the Company, around 30 – 60% of other entities participates/ promotes / actively encourages the BR initiatives of the Company.

SECTION D: BR INFORMATION

- Details of Director/ Directors responsible for BR

- Details of Director/ Directors responsible for implementation of the BR policy/ policies:

- Name of the Director: Shri S.K. Goenka
- Designation: Managing Director
- DIN No: 00149916

- Details of the BR head:

Sl. No.	Particulars	Details
1.	DIN No. (if applicable)	00149916
2.	Name	Shri S.K. Goenka
3.	Designation	Managing Director
4.	Telephone No.	033-66136264
5.	Email id	skgoenka@emamigroup.com

- Principle wise (as per NGV's) BR Policy/ Policies (Reply in Y/N)

- Principle 1: Ethics, Transparency and Accountability [P1]
- Principle 2: Products Lifecycle Sustainability [P2]
- Principle 3: Employees' Well-being [P3]
- Principle 4: Stakeholder Engagement [P4]
- Principle 5: Human Rights [P5]
- Principle 6: Environment [P6]
- Principle 7: Policy Advocacy [P7]
- Principle 8: Inclusive Growth [P8]
- Principle 9: Customer Value [P9]

Sl.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1.	Do you have policy/policies for....?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Yes. The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs. The policies are based on the above guidelines								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Yes. The policies have been approved by the Managing Director								
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	http://www.emamilttd.in/investor-info/pdf/Business_Responsibility_Policy.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key stakeholders. Besides, the Company continues to explore other formal channels to communicate more with relevant stakeholders.								
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address Stakeholders grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The BR policies and its implementation are evaluated internally. The Statutory Auditors conduct audit of the CSR expenditures as required under the law.								

2a. If answer to Sl.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Apart from the CSR committee which meets quarterly to review the CSR activities, the BR Head periodically assesses the BR performance of the Company.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

Emami Limited annually publishes its Business Responsibility Reports in its Annual Report. The Business Responsibility Reports can be accessed at: <http://www.emamilttd.in/investor-info/>

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes /No. Does it extend to the Group/joint ventures/suppliers/contractors/NGOs/ others?

All individuals working in the Company are subject of the Company's policies on Ethics, Transparency and Accountability along with the Code of Conduct. The Code is applicable in line with the laws prevailing in the country of operation so far as the subsidiaries are concerned. Business Partners of the Company are encouraged to follow the code.

2. How many stakeholder complaints received in the past financial year and what percentage was satisfactorily resolved by the Management?

Stakeholder	Complaints Received during FY20	Complaints Resolved during FY20	Complaints Resolved (%)
Investors' Complaints	8	8	100%
Consumers' Complaints	305	305	100%
Total	313	313	100%

Principle 2: Products Lifecycle Sustainability

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- i. Navratna Cool Oil
- ii. BoroPlus Antiseptic Cream
- iii. Zandu & Mentho Plus Balms

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Emami has undertaken special efforts in the area of Sustainable Development. The Company has designed technologies to enable resource efficient, sustainable manufacturing processes and technologies required to produce our products. The Company has proactively looked at opportunities in green solutions as well as organic product designs. Following initiatives were undertaken in this respect -

- i. **To reduce power consumption, the company conducted the following initiatives-**
 - a. **Minimizing Fossil Fuel usage** - Installed dedicated 33 kV lines in 2 manufacturing units producing ~60% of the goods and installed high speed packing machines resulting in lower power use per ton. The company further installed small boilers in parallel with regular boilers to take care of peak load to optimize fossil fuel consumption.
 - b. **Optimization of power consumption:** Set up dedicated Air Handling of HVAC system for separate areas to facilitate optimization of power consumption and upgraded to energy efficient lights i.e. LED's in manufacturing units. The company has also formed an Energy Optimization Cell to complete Energy Mapping in phased manner which will help in development of an Energy Reduction Plan.
 - c. **Using Renewable Energy:** Initiated using energy from renewable sources by using Windmills.
- ii. Replaced HSD Fuel Boiler with Briquette Fuel Boiler and steam condensate recovery

system resulting in reduced fuel and steam consumption.

- iii. Installed Effluent Treatment Plant & make our units into a zero discharge. Further, the company also initiated reuse of ETP treated water for toilet and gardening purpose.
- iv. Implemented Condensate recovery system reducing the RO water consumption.
- v. Initiated various projects to reduce the usage of packing materials by adopting paper tray technology, foil modification, PVC film modification, container modification and GSM reduction in laminates & card boards.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

Emami has a dedicated Bio Resource Department which in turn supports the procurement team to directly/indirectly connect with farmers who cultivate ayurvedic medicinal herbs ensuring constant supply from sustainable sources.

The company also initiated a comprehensive supplier assessment process including SHE & TQM process audit lead by the company's Central Quality Assurance Team and supported by the procurement team to engage and work with suppliers supporting sustainability. The self-assessment program is leveraged to identify areas of improvement and to provide critical inputs in this process.

Further, while selecting and introducing any business partner the company ensures due diligence to understand whether the selected partner is conscious of its social obligations. Emami has established an effective inter-department communication mechanism enabling the purchases department to act according to production and sales forecasts for the forthcoming quarters to ensure optimum raw material procurement. The Company strives to reduce the weight and volume of the materials that it uses for packaging and supports initiatives to use recycled materials. Emami strongly discourages the use of forced labour and child labour at its business associates' premises.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Emami has tied up with various Government organizations, institutions and self-help groups to ensure direct collaboration with farmers and collectors to engage in a sustainable business model which would be a "win-win" equation for all. Small scale farmers from tribal regions are the major raw material suppliers for Ayurvedic herbs. Local and small farmers from various states like Uttarakhand, Himachal Pradesh, Madhya Pradesh, Chattisgarh, West Bengal, Orissa, Sikkim, Tamil Nadu etc are engaged in contractual cultivation of herbs like Kutaki, Tagar, Kapur Kachari, Sarp Gandha, Tejpatta, Kauncha etc by imparting requisite knowledge and training. The company is also working towards plantation of herbs like Ashoka, Arjuna and Baheda in these regions.

Emami Limited has conducted 11 capability building programs wherein more than 400 farmers had participated. The company has also facilitated registration of more than 100 farmers under State Government Cultivation Programmes and distributed planting materials to more than 9 lac farmers. Besides, this Emami also indirectly promotes "Mentha" farming, encouraging many farmers and small scale industries in the process.

Following are the organizations with which Emami has collaborated for Sustainable procurement/ cultivation/ research of rare ayurvedic herbs-

Organisation	Initiatives
Uttarakhand Forest Development Cooperation	Sustainable Procurement of medicinal plants and raw materials
Herbal Research & Development Institute, Mandal – Gopeshwar Chamoli, Uttarakhand	Distribution of planting material to farmers and facilitating registration of farmers
Institute of Bio-Resources and Sustainable Development, Manipur	Jointly funded project for cultivation and capacity development of farmers in Sikkim

Organisation	Initiatives
GB Pant Institute of Himalayan Environment and Sustainable Development	Research and cultivation of 4 prominent medicinal plants in Himachal Pradesh (joint collaboration with Bennet University)
IBSD, Manipur	MoU for procurement of cultivated Swertia from Sikkim
CSIR – National Chemical Laboratory, Pune	High density cultivation of Saffron under Department of Biotechnology funded project.
Gram Mooligai Company Ltd., Jabalpur, Madhya Pradesh	Sustainable Forestry of Dhawai Phool, Mahua flowers, Harad, Baheda, Amla and Arjun
ILSP Rookkund Co-operative Federation, Ghat-Chamoli, Uttarakhand	Cultivation of Kutaki herbs
Various Self Help groups	Sustainable forestry and cultivation of various herbs like Tejpatta, Tagar, Kutaki, Kapur Kachri, Arjun, Harad, Baheda, Amla, Kouncha, Jatamansi, Daru Haldi, Vijasar, Kapur etc.
Zandu Foundation for Healthcare, Gujarat	Sustainable cultivation of Kouncha and other herbs

Further, to reduce the Carbon footprint and to support sustainability, majority of packaging suppliers (over 80%) are located close to the manufacturing plants, thereby reducing transportation & fuel consumption as well vehicle emission into environment.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has always strived to reduce waste associated with its products. Initiatives like using light-weight materials, optimising structural and material design and eliminating unnecessary packaging, have resulted in effective management

of packaging waste. In FY19, the company joined a FMCG consortium for collection and treatment of packaging waste on a pan-India basis.

Principle 3: Employees' Well-being

1. Please indicate the total number of employees - 3,215 permanent employees
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis – 3,039
3. Please indicate the number of permanent women employees: 450
4. Please indicate the Number of permanent employees with disabilities. NIL
5. Do you have an employee association that is recognised by management? 6 Employee associations are recognised by the management
6. What percentage of your permanent employees is members of this recognised employee association? 16%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

Category	No. of complaints filed during the FY	No. of complaints pending as on end of FY
Child labour/forced labour/involuntary labour	Nil	Nil
Sexual harassment	3	1*
Discriminatory employment	Nil	Nil

* 1 Complaint is in progress as at the end of FY

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

Particulars	%
Permanent Employees	100%
Permanent Women Employees	100%
Casual/ Temporary/ Contractual Employees	97%
Skill Upgradation (permanent employees)	92%
Employees with disabilities	NA

Principle 4: Stakeholder Engagement

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes. Underprivileged communities around the Company's business locations are identified by Emami as disadvantaged, vulnerable and marginalised stakeholders. The needs and priorities of such stakeholders are identified by Emami. The Company continuously engages with all such stakeholders to serve these needs accordingly.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

The Company provides healthcare facilities to the underprivileged in and around its business premises. Emami conducts community development initiatives and disaster management initiatives across its factory locations. Emami also conducts drinking water and sanitation programme in schools, provides scholarships to deserving students, computer training programmes, beautician training programmes, stitching and tailoring programmes to the underprivileged across its business locations. During the financial year, the Company has undertaken establishment of modern infrastructure for providing skill development & other trainings. Further details have been provided in the CSR report in the Annual Report of the Company.

Principle 5: Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company follows its policy on Human Rights which are applicable to all employees in the Company. For its subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its Business Partners to follow the policy. Emami discourages dealing with any supplier/contractor if it is in violation of human rights and also prohibits

the use of forced or compulsory labour at all manufacturing units /with business associates.

2. How many stakeholder complaints pertaining to violation of Human Rights have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint was received pertaining to human rights violation during the reporting period.

Principle 6: Environment Rights

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company follows its policy on Environment Protection which is applicable to all its business places. For the subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. We encourage our business partners to follow the policy and due care is taken while selecting suppliers / contractors on this front who are selected on the basis of a Comprehensive Assessment Process to ensure sustainability. Further, suppliers / contractors having related ISO certification given preferential treatment in selection process.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Yes/No. If yes, please give hyperlink for webpage etc.

The company has started initiatives like installation of zero discharge ETP and a condensate recovery system. Further, four of Emami's manufacturing units have Zero Discharge effluents.

3. Does the Company identify and assess potential environmental risks? Yes/No

Emami firmly believes in sustainable development which is reinforced by environmental management systems practiced across manufacturing units. Emami is consistently putting in efforts to improve the environment protection measures further.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Yes/No. If yes, please give hyperlink for web page etc.

Emami has designed technologies to enable resource efficient, sustainable manufacturing processes and technologies required to manufacture its products. The power consumption of the Company is negligible compared to its revenues. The efforts of the Company are aimed to minimise energy consumption in spite of the rapid increase in operations of the Company. The company has also initiated the use of windmills during the year as a means of generating renewable energy.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

In FY20, the emissions, solid waste and effluents generated were within the limits as prescribed by CPCB or SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Policy Advocacy

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. Emami Limited is a member of several industrial and trade bodies namely:

- Confederation of Indian Industry (CII)
- Federation of Indian Chamber of Commerce and Industry (FICCI)
- Associated Chamber of Commerce and Industry of India (ASSOCHAM)
- MCC Chamber of Commerce and Industry (MCCI)
- Bharat Chamber of Commerce (BCC)
- Indian Chamber of Commerce (ICC)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad

areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. Emami has not only taken initiatives for the advancement / improvement of public good but also advocated through the above organisations on Economic Reforms.

Principle 8: Inclusive Growth and Equitable Development

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company undertakes the initiatives through the CSR committee of the Board as per the CSR policy of the Company. The Company has a dedicated CSR Department, which evaluates monitors and supervises the CSR activities. During the year, the company was awarded the "Star Company of the Year" at the 10th edition of Think CSR 2019 Award organized by Tefla and hosted by Think Foundation, for its innovative practices and initiatives in the field of CSR. A brief outline of the policy for undertaking the CSR activities of the Company includes the following:

- Promoting Healthcare, water and sanitation programmes;
- Promoting education, enhancing vocational skills and livelihood enhancement projects;
- Rural development, social upliftment programmes and promotion of art and Culture.

These projects are in accordance with Schedule VII of the Companies Act, 2013

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?

The aforesaid projects have been carried out by the Company directly and/or through implementing agencies. The details can be found in Annexure IV of the Directors Report.

3. Have you done any impact assessment of your initiative?

Yes, the CSR committee internally performs an impact assessment of its initiatives at the end

of each year to understand the efficacy of the program in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. What is your Company's direct contribution to community development projects- Amount in INR crore and the details of the projects undertaken?

Sl. No.	CSR Projects	Expenditure
1	Promotion of Education & Vocational Skills	₹ 1.8 cr
2	Providing Health-care, water & sanitation facilities	₹ 1.7 cr
3	Social Upliftment Programmes and others	₹ 2.1 cr
	TOTAL	₹ 5.6 cr

Details of the same have been provided in Annexure IV of the Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

All the businesses locations of Emami continuously engage with communities surrounding their operations through focused meetings. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are thus designed and delivered in a transparent manner in line with inputs from the community itself. This is done to ensure flow of benefits to communities even if the Company is unable to support the programme in the future. This ensures successful adoption by communities to the extent possible.

Principle 9: Customer Value

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

No consumer complaints are pending as on the end of financial year. However, five consumer cases are pending as at the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information)

Yes, over and above what is mandated by local

laws like Bureau of Indian Standards Act and Drugs and Cosmetics Act, Emami displays product information on its packaging for the benefit of the consumer. The objective of providing this additional information is to enhance the value consumers can derive from the product. Furthermore, safe and appropriate use is also thereby ensured. The additional information on the product label relates to various active ingredients contained in the product, their proven clinical benefits, consumer grievance redressal mechanisms, directions for use, safety, caution etc. and varies from product to product.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

As discussed in Point 1, five consumer cases are pending at various consumer forums. Of these, three have been filed by a habitual litigant who has filed multiple cases against almost all consumer companies;

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Emami's innovation strategy has been to develop breakthrough products for the emerging consumer needs and therefore the Company works towards delivering aspirational products. Consumer Research is at the heart of every product/ solution that we design. We conduct methodical research with respect to our products and advertisements. These surveys are conducted through established third party market research firms. We also undertake regular brand tracking researches to assess brand preference scores and impact of our advertisements. Blind product tests are also conducted to gauge consumer satisfaction vis-a-vis products of our competitors. Our innovation process ensures that we validate the concept, product and its packaging with the consumers through its lifecycle with the consumers and also follow up with them for their satisfaction post launch.

INDEPENDENT AUDITOR'S REPORT

To
the Members of
Emami Limited

Report on the audit of the standalone Ind AS financial statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Emami Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income its cash flows, and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder,

and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to note 3.57 to the standalone Ind AS financial statements, which describes the uncertainties and potential impact of the covid-19 pandemic on the Company's operations and results as assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p data-bbox="105 223 684 288">(a) Non-recognition of Unused Minimum Alternate Tax ("MAT") Credit (as described in note 3.46 of the standalone Ind AS financial statements)</p> <p data-bbox="105 292 684 389">As at March 31, 2020, the Company has unused MAT credit balance of ₹28,681.82 lacs which has not been recognized in the books.</p> <p data-bbox="105 393 684 555">Some of the manufacturing facilities of the Company are availing tax benefits under section 80IC / 80IE of Income Tax Act, 1961 as a result of which the Company is paying taxes under MAT to the government basis book profits.</p> <p data-bbox="105 559 684 689">The credit of such taxes paid under MAT shall be allowed to be utilized in subsequent years when tax becomes payable on the total income in accordance with the normal provisions of the Act.</p> <p data-bbox="105 694 684 855">In order to determine the utilization of such credit in future years, the management has projected its book profits and tax profits; and based on such projections after considering the potential impact of the pandemic, MAT credit has not been recognized.</p> <p data-bbox="105 859 684 1052">Significant management judgement is required to determine the forecasted profits, expected future market scenario, economic conditions, tax laws and the management's expansion plans, and these factors impact the timing of utilization of MAT credits.</p> <p data-bbox="105 1056 684 1191">Accordingly, the non-recognition of MAT credit basis the forecasted profits is determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p data-bbox="684 292 1329 356">Our audit procedures amongst others included the following:</p> <ul data-bbox="684 360 1329 928" style="list-style-type: none"> <li data-bbox="684 360 1329 522">• Understood the income tax computation process for normal tax and minimum alternate tax and reviewed controls around recognition of MAT credit. Evaluated the design and tested the effectiveness of relevant controls in this regard. <li data-bbox="684 526 1329 752">• Reviewed management's assumptions that substantiate the probability that the unused MAT credit will not be recovered through taxable income under normal provision in future years and also assessed the tax planning strategies, budgets and the plans prepared by the management and the relevant tax legislations. <li data-bbox="684 756 1329 820">• Assessed the historical accuracy of management's assumptions. <li data-bbox="684 824 1329 928">• Evaluated the adequacy of the disclosures made by the Company in this regard in the standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Impairment assessment of Intangible assets (as described in note 3.53(v) of the standalone Ind AS financial statements)</p> <p>The Company has significant intangible assets arising from the acquisition of brand, trademark, know-how etc. in the normal course of its business. There are indicators that the carrying value of the intangibles may not be recovered through its continuing use and hence, the management has performed impairment testing in accordance with Ind AS 36. Recoverability of the intangible asset is based on projected cash flows over the remaining useful life of underlying intangible assets and their discounted present value (after considering terminal value), which are inherently highly judgmental and is subject to achieving forecasted results.</p> <p>Accordingly, the impairment testing of intangible asset is considered as a key audit matter because the underlying assumptions including any possible impact arising out of the pandemic are highly judgmental and are affected by future market and economic conditions which are inherently uncertain.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Tested the Company's internal controls around cash flow projections. • Assessed the adequacy of the Company's valuation methodology applied in determining the recoverable amount. • Evaluated the assumptions used in projecting cash flows and arriving at discounted cash flows. We also evaluated the adequacy of sensitivity analysis on key assumptions performed by the management after considering possible impact arising out of the pandemic. We involved specialists when performing these procedures. • Assessed the relevant disclosures made in the standalone Ind AS financial statements.
<p>Revenue from sale of goods (as described in note 2.2.a, note 3.29 and note 3.60 to the standalone Ind AS financial statements)</p> <p>The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the sales price, the Company considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues.</p> <p>The risk is, therefore, that revenue is not recognised in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Considered the adequacy of the Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal financial controls related to revenue recognition. • Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested that the revenue has been recognized in accordance with Ind AS 115. • Selected sample of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying documents. • Selected samples of rebates and discounts during the year, compared them with the supporting documents and performed re-calculation of those variable considerations as per scheme documents. • Assessed the relevant disclosures made in the standalone Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 3.28, note 3.38 and note 3.41 to the standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**
Partner
Membership Number: 060352
UDIN: 20060352AAAACE4087

Place of Signature: Kolkata
Date: June 26, 2020

Annexure 1 referred to in paragraph 1 of the section on “Report on other legal and regulatory requirements” of our report of even date on the standalone Ind AS financial statements of Emami Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification of all the fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for following 2 number of immovable properties aggregating to ₹16.35 lacs as at March 31, 2020, details of which are set out in note 3.1 to the standalone Ind AS financial statements.
- | Asset Class | Gross Block
As at 31st
March 2020
(in ₹ Lacs) | Net Block
As at 31st
March 2020
(in ₹ Lacs) | No. of
cases |
|--------------------|--|--|-----------------|
| Freehold
Land | 16.35 | 16.35 | 2 |
| Grand Total | 16.35 | 16.35 | 2 |
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has granted loans to one of its wholly owned subsidiary and one associate covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (b) The Company has granted loans to two of its wholly owned subsidiaries (including loan granted to one of its wholly owned subsidiary in the previous year) and one associate covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the receipt of interest is regular, wherever due. Repayment of principal has not fallen due during the year. (Refer note no 3.52 of the standalone Ind AS financial statements for terms of repayment of the loans)
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013, which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities except for clause (vii) (b) below.
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates (Financial Year)	Due Date	Date of Payment
PF Act	Employer's and Employee's contribution to PF	31.48	April 2019 to August 2019	15th of the next month	Paid subsequent to Balance Sheet date on various dates

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, goods and service tax, duty on custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Sales Tax and Central Sales Tax	Various Sales tax related matters	3,084.35	1989-90, 1993-94 to 2007-08, 2009-10 to 2015-16	Tribunal/ Supreme Court/ High Court/ DC(Appeal)/ Jt. Commissioner (Appeals)/ AC/ DC/ Appellate Deputy Commissioner
The Central Excise Act, 1994	Excise duty demand	367.29	2008-09 to 2013-14	CESTAT / Assistant Commissioner
MP Entry Tax Act, 1976	Entry Tax demand	9.28	2001-02	Supreme Court
The West Bengal Tax on Entry of Goods into Local Areas Act, 2012.	Entry Tax demand	622.82	2013-14 to 2016-17	High Court
Customs Act, 1962	Custom Duty demand	25.39	2008-09	Commissioner (A)
Service Tax (Finance Act, 1994)	Service tax demand	325.88	2008-09 to 2011-12, 2015-16 to 2017-18	Assistant Commissioner/ Commissioner (A)

(viii) According to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to banks or financial institution. The Company did not have any outstanding loans or borrowings dues in respect of government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the

officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) According to information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

UDIN: 20060352AAAACE4087

Place of Signature: Kolkata

Date: June 26, 2020

Annexure 2 to the Independent Auditors' report of even date on the standalone Ind AS financial statements of Emami Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Emami Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, have adequate internal financial controls over

financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

UDIN: 20060352AAAACE4087

Place of Signature: Kolkata

Date: June 26, 2020

Balance Sheet

as at 31st March, 2020

₹ in Lacs

	Notes	As at 31.03.2020		As at 31.03.2019	
ASSETS					
1. Non-Current Assets					
(a) Property, Plant and Equipment	3.1	74,667.95		72,718.36	
(b) Capital Work-in-Progress	3.1	685.78		3,521.61	
(c) Investment Property	3.2	4,462.93		4,560.00	
(d) Intangible Assets	3.3	61,842.42		87,056.15	
(e) Right of Use Assets	3.4	1,234.84		-	
(f) Intangible Assets under Development	3.3	119.21		111.67	
(g) Financial Assets					
(i) Investments	3.5	9,262.94		17,917.12	
(ii) Loans	3.6	4,972.55		970.64	
(iii) Other Financial assets	3.7	3,936.85		2,906.89	
(h) Non-Current Tax Assets (Net)	3.8	1,300.05		1,259.22	
(i) Other Non-Current Assets	3.9	2,488.37	1,64,973.89	1,775.90	1,92,797.56
2. Current Assets					
(a) Inventories	3.10	22,588.88		21,353.61	
(b) Financial Assets					
(i) Investments	3.11	6,832.94		785.64	
(ii) Trade Receivables	3.12	18,168.67		14,225.44	
(iii) Cash and Cash Equivalents	3.13	356.74		10,833.93	
(iv) Bank balance other than (iii) above	3.14	5,373.09		233.51	
(v) Loans	3.15	6,530.59		263.86	
(vi) Other Financial Assets	3.16	8,648.81		5,168.42	
(c) Other Current Assets	3.17	10,004.33	78,504.05	12,641.59	65,506.00
TOTAL ASSETS			2,43,477.94		2,58,303.56
EQUITY AND LIABILITIES					
EQUITY					
(a) Equity Share Capital	3.18	4,531.81		4,539.35	
(b) Other Equity	3.19	1,75,668.12	1,80,199.93	2,01,901.08	2,06,440.43
1. Non-Current Liabilities					
(a) Financial Liabilities					
(i) Other Financial Liabilities	3.20	1,142.16		689.56	
(b) Provisions	3.21	1,855.29		1,668.37	
(c) Deferred Tax Liabilities (Net)	3.22	-		1,548.85	
(d) Other Non-Current Liabilities	3.23	2,155.69	5,153.14	2,367.55	6,274.33
2. Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	3.24	15,824.50		5,434.06	
(ii) Trade Payables	3.25				
Total outstanding dues of Micro & Small Enterprises		2,304.19		303.48	
Total outstanding dues of creditors other than Micro & Small Enterprises		21,608.26		22,195.65	
(iii) Other Financial Liabilities	3.26	9,263.96		12,289.92	
(b) Other Current Liabilities	3.27	4,490.81		2,243.10	
(c) Provisions	3.28	4,633.15	58,124.87	3,122.59	45,588.80
TOTAL EQUITY AND LIABILITIES			2,43,477.94		2,58,303.56
Summary of Significant Accounting Policies	2				

The accompanying notes are an integral part of these standalone Ind AS financial statements

As per our report of even date

For and on behalf of the Board of Directors

For S. R. BATLIBOI & Co. LLP

Chartered Accountants

Firm Registration no: 301003E/E300005

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

per Sanjay Kumar Agrawal

Partner

Membership no: 060352

Kolkata

26th June, 2020

S K Goenka
Managing Director

N H Bhansali
CEO -Finance,
Strategy and Business
Development & CFO

A K Joshi
Company Secretary
& VP-Legal

Statement of Profit and Loss

for the year ended as at 31st March, 2020

₹ in Lacs

	Notes	2019-2020	2018-2019
INCOME			
Revenue from Operations	3.29	2,38,992.36	2,48,869.69
Other Income	3.30	9,408.54	3,719.65
Total Income (A)		2,48,400.90	2,52,589.34
EXPENSES			
Cost of Materials Consumed	3.31	71,044.57	74,303.43
Purchases of Stock-in-Trade		9,935.73	14,690.22
(Increase)/Decrease in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	3.32	(356.00)	(1,446.61)
Employee Benefits Expense	3.33	25,569.66	23,728.61
Other Expenses	3.35	73,595.45	66,951.06
Total Expenses before Exceptional items, Interest, Depreciation, Amortisation and Tax (B)		1,79,789.41	1,78,226.71
Earnings before Exceptional items, Interest, Depreciation, Amortisation and Tax (A-B)		68,611.49	74,362.63
Finance Costs (C)	3.34	1,889.87	1,928.94
Depreciation & Amortisation Expense: (D)			
a) Amortisation of Intangible Assets	3.3	25,445.70	24,828.22
b) Depreciation of Tangible Assets	3.1 & 3.2	6,884.16	6,976.06
c) Depreciation of Right of Use Assets	3.4	280.44	-
Total Expenses before Exceptional items and Tax (B+C+D)=E		2,14,289.58	2,11,959.93
Profit before Exceptional Items and Tax (A-E)=F		34,111.32	40,629.41
Exceptional Items (G)	3.54	325.68	979.89
Profit Before Tax (F-G)=H		33,785.64	39,649.52
Tax Expense: (I)	3.46		
Current Tax (MAT)		6,427.00	8,637.00
Deferred Tax charge/(credit)		(1,553.33)	488.36
Profit for the year (H-I)=J		28,911.97	30,524.16
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss in subsequent periods			
Equity Instrument through Other Comprehensive Income		(9,733.86)	(1,565.36)
Remeasurement of the net defined benefit liability/ asset		12.82	547.56
Income tax relating to items that will not be reclassified to Statement Profit and Loss		(4.48)	(191.37)
Total Other Comprehensive Income/(Loss) for the year (net of tax)		(9,725.52)	(1,209.17)
Total Comprehensive Income for the year		19,186.45	29,314.99
Cash Profit (J+D)		61,522.27	62,328.44
Earnings Per Equity Share	3.58		
(1) Basic (Face Value of Re 1 each)		6.37	6.72
(2) Diluted (Face Value of Re 1 each)		6.37	6.72
(3) Cash (Face Value of Re 1 each)		13.55	13.73
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these standalone Ind AS financial statements

As per our report of even date

For and on behalf of the Board of Directors

For S. R. BATLIBOI & Co. LLP

Chartered Accountants
Firm Registration no: 301003E/E300005

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

per Sanjay Kumar Agrawal

Partner
Membership no: 060352
Kolkata
26th June, 2020

S K Goenka
Managing Director

N H Bhansali
CEO -Finance,
Strategy and Business
Development & CFO

A K Joshi
Company Secretary
& VP-Legal

Cash Flow Statement

for the year ended as at 31st March, 2020

	₹ in Lacs	
	2019-2020	2018-2019
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	33,785.64	39,649.52
Adjustments for :		
(Profit) / loss on Sale / Fair Value of mutual funds	(1,437.53)	(924.01)
Depreciation and Amortisation Expenses	32,610.30	31,804.28
Finance Costs	1,889.87	1,928.94
Interest income on loans & deposits	(2,688.13)	(1,326.66)
Profit on Sale/Disposal of Property, Plant & Equipments (Net)	(589.18)	(1.39)
Dividend Income from equity investment carried at fair value through OCI	(95.35)	(95.35)
Sundry balances written (back) / off (Net)	(93.11)	16.65
Unrealised Foreign Exchange Gain / Loss	(611.47)	(237.54)
Dividend Income from equity investment carried at cost	(3,852.55)	(642.72)
(Profit)/ loss on Derivative Instruments	341.87	(160.07)
Provision for doubtful trade receivables	2,055.66	-
Provision of financial guarantee obligation	4,766.29	-
Loss on fair value of Loan at FVTPL	54.75	-
Loss on Impairment of Investment in an Associate & a subsidiary	188.48	-
Provision for Doubtful Receivables	124.69	-
	66,450.23	70,011.65
Adjustments for working capital changes :		
Increase / (Decrease) in Trade Payables and Other Liabilities	1,419.98	3,621.58
(Increase) in Inventories	(1,235.27)	(2,968.59)
(Increase) in Trade Receivables	(5,696.71)	(7,255.20)
(Increase) / (Decrease) in Loans and Advances and Other Financial Assets	(2,370.67)	411.14
(Increase)/Decrease in Other Non Financial Assets	770.14	(3,741.99)
Increase /(Decrease) in Provisions	1,709.30	(181.15)
	(5,403.23)	(10,114.21)
CASH GENERATED FROM OPERATIONS	61,047.00	59,897.44
Less : Direct Taxes Paid	6,467.83	8,636.65
NET CASH FLOW FROM OPERATING ACTIVITIES	54,579.17	51,260.79
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from Sale of Property, Plant & Equipment	1,097.00	612.01
Interest Received	493.11	1,350.44
Dividend Received	3,947.90	738.07
Purchases of Investments	(180,553.84)	(84,490.73)
Sale of Investments	174,875.92	96,857.75
Short term loans given (net)	(6,000.00)	-
Purchase of Property, Plant & Equipment & Intangible Assets	(15,405.88)	(13,463.81)
Investment in Associates	(200.00)	(250.00)
Investment in Preference Shares	-	(200.00)
Loans given to Subsidiary Company	(3,269.68)	(122.54)
Fixed Deposits made	(182.36)	(21.00)
Proceeds from maturity of Fixed Deposit	58.46	1,008.02
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	(25,139.37)	2,018.21

Cash Flow Statement

for the year ended as at 31st March, 2020

₹ in Lacs

	2019-2020	2018-2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(6142.00)	(29,919.38)
Buy Back of Shares including transaction costs	(1245.95)	-
Proceeds from Short Term Borrowings from Banks	7527.98	8,000.64
Transfer to Escrow Account for Buyback of shares	(5,003.60)	-
Interest Paid	(1,893.85)	(1,890.72)
Dividend Paid	(36,314.81)	(15,887.73)
Corporate Dividend Tax paid	(5,598.08)	(3,133.66)
Payment Of Principal Portion Of Lease Liabilites	(251.14)	-
Cash Credit taken / (repaid) (Net)	9004.46	(584.14)
NET CASH USED IN FINANCING ACTIVITIES	(39,916.99)	(43,414.99)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(10,477.19)	9,864.01
Add- CASH & CASH EQUIVALENTS-OPENING BALANCE	10,833.93	969.92
CASH & CASH EQUIVALENTS-CLOSING BALANCE	356.74	10,833.93
Cash & Cash Equivalents includes:		
Balances with Banks	343.02	3,709.67
Fixed Deposits with Banks (Original Maturity of less than 3 Months)	-	7,114.14
Cash on hand	13.72	10.12
Total Cash & Cash Equivalents (Refer Note No : 3.13)	356.74	10,833.93

The accompanying notes are an integral part of these standalone Ind AS financial statements

As per our report of even date

For S. R. BATLIBOI & Co. LLP

Chartered Accountants

Firm Registration no: 301003E/E300005

per Sanjay Kumar Agrawal

Partner

Membership no: 060352

Kolkata

26th June, 2020

For and on behalf of the Board of Directors

R S Agarwal

Chairman

R S Goenka

Director

S B Ganguly

Director

S K Goenka

Managing Director

N H Bhansali

CEO -Finance,
Strategy and Business
Development & CFO

A K Joshi

Company Secretary
& VP-Legal

Statement Of Changes In Equity

for the year ended as at 31st March, 2020

₹ in Lacs

Particulars	Equity Share Capital	Other Equity					Other Comprehensive Income	Total Equity attributable to equity share holders of the Company
		Reserve & Surplus						
		Capital Reserve	Securities Premium	Retained Earnings	General Reserve	Capital Redemption Reserve		
Balance as at 1.04.2018	2,269.68	79.64	33,205.16	59,082.00	87,500.00	-	14,987.48	197,123.96
Profit for the Year	-	-	-	30,524.16	-	-	-	30,524.16
Other Comprehensive Income								
Fair value loss on Equity instrument through other comprehensive income	-	-	-	-	-	-	(1,565.36)	(1,565.36)
Remeasurement of the net defined benefit liability/ asset	-	-	-	547.56	-	-	-	547.56
Income Tax Effect	-	-	-	(191.37)	-	-	-	(191.37)
Total Comprehensive Income	-	-	-	30,880.35	-	-	(1,565.36)	29,314.99
Effect of Adoption of new accounting standard i.e. Ind AS 115								
Income Tax Effect	-	-	-	524.85	-	-	-	524.85
Dividend Paid#	-	-	-	(15,887.73)	-	-	-	(15,887.73)
Corporate Dividend Tax#	-	-	-	(3,133.66)	-	-	-	(3,133.66)
Issue of Bonus Shares	2,269.67	-	(2,269.67)	-	-	-	-	-
Balance as at 31.03.2019	4,539.35	79.64	30,935.49	69,963.83	87,500.00	-	13,422.12	206,440.43
Balance as at 1.04.2019	4,539.35	79.64	30,935.49	69,963.83	87,500.00	-	13,422.12	206,440.43
Profit for the Year	-	-	-	28,911.97	-	-	-	28,911.97
Other Comprehensive Income								
Fair value loss on Equity instrument through other comprehensive income	-	-	-	-	-	-	(9,733.86)	(9,733.86)
Remeasurement of the net defined benefit liability/ asset	-	-	-	12.82	-	-	-	12.82
Income Tax Effect	-	-	-	(4.48)	-	-	-	(4.48)
Total Comprehensive Income	-	-	-	28,920.31	-	-	(9,733.86)	19,186.45
Final Dividend Paid#	-	-	-	(18,157.41)	-	-	-	(18,157.41)
Interim Dividend Paid#	-	-	-	(18,157.40)	-	-	-	(18,157.40)
Corporate Dividend Tax#	-	-	-	(7,464.61)	-	-	-	(7,464.61)
Amount transferred to Capital redemption reserve upon Buyback of Equity Shares @	(7.54)	-	(1,236.69)	-	-	-	-	(1,244.23)
Buyback distribution tax @	-	-	(289.13)	-	-	-	-	(289.13)
Transaction cost towards Buyback of Equity Shares @	-	-	(114.17)	-	-	-	-	(114.17)
Balance as at 31.03.2020	4,531.81	79.64	29,295.50	55,104.72	87,492.46	7.54	3,688.26	180,199.93

Refer Note No : 3.47

@ Refer Note No : 3.55

Refer Note no 3.19 for nature & purposes of reserve

The accompanying notes are an integral part of these standalone Ind AS financial statements

As per our report of even date

For and on behalf of the Board of Directors

For S. R. BATLIBOI & Co. LLP

Chartered Accountants
Firm Registration no: 301003E/E300005

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

per Sanjay Kumar Agrawal

Partner
Membership no: 060352
Kolkata
26th June, 2020

S K Goenka
Managing Director

N H Bhansali
CEO -Finance,
Strategy and Business
Development & CFO

A K Joshi
Company Secretary
& VP-Legal

Notes to Financial Statements

as at & for the year ended 31st March, 2020

1. Company Overview

Emami Limited ("the Company") is one of India's leading FMCG Companies engaged in manufacturing & marketing of personal care & healthcare products with an enviable portfolio of household brand names such as Boro Plus, Navratna, Fair and Handsome, Zandu Balm, Kesh King, Zandu Pancharishta, Mentho Plus Balm and others.

The Company is a public limited company domiciled in India and is primarily listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is located at 687, Anandapur, E.M. Bypass, Kolkata, West Bengal.

2.1. Basis of Preparation

The standalone Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013. These standalone Ind AS financial statements are prepared under the historical cost convention on the accrual basis except for following assets and liabilities which have been measured at fair value or revalued amount :

- a) Derivative financial instruments
- b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- c) Defined benefit plans – plan assets

The standalone Ind AS financial statements were approved for issue in accordance with the resolution of the Board of Directors on 26th June, 2020.

2.2. Summary of Significant Accounting Policies

a. Revenue Recognition

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, outgoing sales taxes including goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Products

Revenue from sale of products is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the Company believes that the control gets transferred to the customer on dispatch of the goods from the factory/depot and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

Variable consideration

Volume rebates

Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them. To estimate the variable consideration for the expected future rebates, the Company applies the expected value method or most likely method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Company then applies the requirements on constraining estimates of variable consideration and recognises a liability for the expected future rebates.

Rights of return

Certain contracts provide a customer with a right to return the damaged goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Company recognises a provision for damage return and net it from revenue.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Advance from customer

Advance from customer is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. Advance from customer is recognised as revenue when the Company performs under the contract.

Provision for rebates and damage return

Provision for rebates and damage return is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of Provision for rebates and damage return (and the corresponding change in the transaction price) at the end of each reporting period.

b. Property, Plant & Equipment

Capital work in progress, plant and equipment are stated at acquisition cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act,

Notes to Financial Statements

as at & for the year ended 31st March, 2020

2013, except certain items of building and plant & machinery as detailed in next paragraph. The estimated useful lives are as follows:

Factory Building	30 Years
Non-factory Buildings (including Roads)	5 - 60 Years
Plant & Machinery*	10-15 Years
Furniture & Fixtures	10 Years
Office Equipment	3-5 Years
Vehicles	8 Years

Freehold land is not depreciated.

*Block, Dies & Moulds (other than High-End Moulds) are depreciated @100% on prorata basis.

The Company, based on assessment made by technical expert and management estimate, depreciates certain items of building and plant and equipment over 20 years and 3 - 10 years respectively. These estimated useful lives are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other 'Non-Current Assets'.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The cost and related accumulated depreciation are eliminated from the financial statements upon derecognition and the resultant gains or losses are recognized in the Statement of Profit and Loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

c. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

The Company depreciates building component of investment property on the straight line method over the estimated useful life of 60 years from the date of original purchase and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed internally by the Company.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

d. Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Intangible Assets acquired in a business combination is valued at their fair value at the date of acquisition. Following initial recognition,

Notes to Financial Statements

as at & for the year ended 31st March, 2020

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. The amortisation expense on Intangible Assets with finite lives is recognised in the Statement of Profit and Loss. The Company amortises intangible assets over their estimated useful lives using the straight line method.

The estimated useful lives of assets are as follows:

Softwares & Licences (Acquired)	6 Years
Brand & Trademarks (Acquired)	5 - 10 Years
Copy Rights (Acquired)	5 - 10 Years

Intangible Assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

e. Research & Development Cost

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually.

f. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- i) Raw materials, Packing materials and Stores & Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average method.
- ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on weighted average method.
- iii) Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

g. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company

Notes to Financial Statements

as at & for the year ended 31st March, 2020

estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement Profit and Loss.

h. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

Equity investments

All equity investments (excluding investments in subsidiaries and associates) in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value Through Profit and Loss (FVTPL). For all other equity instruments, the Company makes an irrevocable election to present in Other Comprehensive Income (OCI) subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. These equity shares are designated as Fair Value Through OCI (FVTOCI) as they are not held for trading and disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Investments in subsidiaries and associate are stated at cost less provision for impairment loss, if any. Investments are tested for impairment wherever event or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

Investment in mutual funds / alternate investment funds

Investment in mutual funds / alternate investment funds falls within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derivative Instruments

Derivative Instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income'/'Other Expenses'.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement: and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Income recognition

Interest Income - Interest income from debt instruments is recognised using the effective interest rate method (EIR). The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend - Dividend is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' (or 'other income') in the Statement of Profit and Loss.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement Profit and Loss.

i. Fair Value Measurement

The Company measures financial instruments, such as, equity instruments and derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are

Notes to Financial Statements

as at & for the year ended 31st March, 2020

categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

j. Cash & Cash Equivalents

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management

k. Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). The impact of adoption of Ind-AS 116 on the financial statements of the Company has been described under Note 3.48.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, are as follows:

Building 2 to 5 years

Leasehold Land is amortised over the period of lease ranging from 30 to 99 years.

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as at & for the year ended 31st March, 2020

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Other Financial Liabilities.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement Profit and Loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m. Employee Benefits

Defined Contribution Plan

The Company makes contributions towards provident fund and superannuation fund to the regulatory authorities in a defined contribution retirement benefit plan for qualifying employees, where the Company has no further obligations. Both the employees and the Company make monthly contributions to the

Notes to Financial Statements

as at & for the year ended 31st March, 2020

Provident Fund Plan equal to a specified percentage of the covered employee's salary.

In Vapi, Dongari and Masat Units, the superannuation fund is administered by the Life Insurance Corporation of India (LIC).

Defined Benefit Plan

- i) In respect of certain employees, provident fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for.
- ii) The Company operates a defined benefit gratuity plan in India, comprising of Gratuity fund with Life Insurance Corporation of India. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The effect of any plan amendments are recognized in the Statement of Profit and Loss.

The Company recognises the changes in the net defined benefit obligation like service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss.

Other Long Term Employee Benefits

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. This benefit is not funded except in Vapi, Dongari and Masat units, where the Leave Fund is with Life Insurance Corporation of India. The Company presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

n. Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities (DTL) are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

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- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current and Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Certain units of the Company are entitled to tax holiday under the Income-tax Act, 1961 enacted in India. Accordingly, no deferred tax (asset or liability) relating to such units is recognized in respect of temporary differences which reverse during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Appendix did not have a significant impact on the standalone financial statements of the Company.

o. Foreign Currency Transactions & Translations Functional and presentation currency

The standalone financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Transaction and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional

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currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

p. Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

q. Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the Statement of Profit and Loss.

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

r. Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Cash earnings per share, a non GAAP measure is calculated by dividing cash profit for the period attributable to the equity shareholders by the weighted average number of shares outstanding during the period. Cash profit is calculated by adding depreciation and amortisation expenses to the net profit for the period.

s. Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company

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as at & for the year ended 31st March, 2020

elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

t. Current and non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) expected to be realised or intended to be sold or consumed in the normal operating cycle,
- b) held primarily for the purpose of trading,
- c) expected to be realised within twelve months after the reporting period, or
- d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when:

- a) it is expected to be settled in the normal operating cycle,
- b) it is due to be settled within twelve months after the reporting period, or
- c) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as noncurrent.

u. Standards issued not yet effective:

There are no standards issued but not yet effective up to the date of issuance of the Company's financial statements.

v. Dividend:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

w. Measurement of EBITDA

The Company presents Earnings before Interest expense, Tax, Depreciation and Amortisation (EBITDA) in the Statement Profit and Loss; this is not specifically required by Ind AS 1. The terms EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the Company's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Accordingly, the Company has elected to present earnings before interest expense, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense, but includes other income.

x. Rounding of amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest Lakhs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

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as at & for the year ended 31st March, 2020

3.1 PROPERTY PLANT & EQUIPMENT (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block			As at 31.3.2020	Depreciation			Net Block		
	As at 14.2019	Additions	Disposals/ Transfer in /(Out)		As at 14.2019	For the year	Disposals/ Transfer in /(Out)	As at 31.3.2020	As at 31.3.2020	As at 31.3.2019
Land										
Leasehold#	334.63	-	(334.63)	-	20.12	-	(20.12)	-	-	314.51
Freehold	5,646.36	110.96	(145.71)	5,611.61	-	-	-	-	5,611.61	5,646.36
Building (including roads)*	30,711.95	3,348.63	(106.02)	33,954.56	2,617.69	1,074.23	(13.84)	3,678.08	30,276.48	28,094.26
Plant & Equipment	49,077.77	5,382.08	(435.06)	54,024.79	14,664.10	4,752.02	(187.62)	19,228.50	34,796.29	34,413.67
Furniture & Fixture	2,132.40	190.80	(3.32)	2,319.88	627.18	336.23	(2.03)	961.38	1,358.50	1,505.22
Office Equipment	2,941.76	291.53	(174.2)	3,215.87	1,188.03	358.02	(10.90)	1,535.15	1,680.72	1,753.73
Computer	876.53	132.54	(12.05)	997.02	687.35	125.84	(11.85)	801.34	195.68	189.18
Motor Vehicles	1,213.15	98.81	(25.52)	1,286.44	411.72	145.91	(19.86)	537.77	748.67	801.43
Property, Plant & Equipment Total	92,934.55	9,555.35	(1,079.73)	101,410.17	20,216.19	6,792.25	(266.22)	26,742.22	74,667.95	72,718.36
Capital Work- In-Progress	3,521.61	721.11	(3,556.94)	685.78	-	-	-	-	685.78	3,521.61
Total	96,456.16	10,276.46	(4,636.67)	102,095.95	20,216.19	6,792.25	(266.22)	26,742.22	75,353.73	76,239.97

*Transfer includes ₹ 5.25 Lacs (accumulated depreciation ₹ 0.09 Lacs) transferred from Investment property.

#Transfer includes ₹ 334.63 Lacs (accumulated depreciation ₹ 20.12 Lacs) reclassified to Right of Use Assets on account of adoption of IND AS 116 (refer note 3.48)

Title deeds of immovable properties set out above, where applicable, are in the name of the Company except as set out below

₹ in Lacs

Asset Class	Gross Block		Net Block		No. of cases	
	As at 31.3.2020	As at 31.3.2019	As at 31.3.2020	As at 31.3.2019	As at 31.3.2020	As at 31.3.2019
Building	-	410.06	-	403.94	-	4
Freehold Land	16.35	140.82	16.35	140.82	2	5
Grand Total	16.35	550.88	16.35	544.76	2	9

Management is in the process of getting the above properties transferred in the name of the Company.

3.2 INVESTMENT PROPERTY (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block			As at 31.3.2020	Depreciation			Net Block		
	As at 14.2019	Additions	Disposals/ Transfer in /(Out)		As at 14.2019	For the year	Disposals/ Transfer in /(Out)	As at 31.3.2020	As at 31.3.2020	As at 31.3.2019
Building*	5,142.12	-	(5.25)	5,136.87	582.12	91.91	(0.09)	673.94	4,462.93	4,560.00
Total	5,142.12	-	(5.25)	5,136.87	582.12	91.91	(0.09)	673.94	4,462.93	4,560.00

*Transfer includes ₹ 5.25 Lacs (accumulated depreciation ₹ 0.09 Lacs) transferred to Property, Plant & Equipment.

Refer Note No 3.43 for disclosure of fair value of investment property.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.3 INTANGIBLE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block			Amortization				Net Block		
	As at 14.2019	Additions	Disposals/ Transfer in /(Out)	As at 31.3.2020	As at 14.2019	For the year	Disposals/ Transfer in /(Out)	As at 31.3.2020	As at 31.3.2020	As at 31.3.2019
Goodwill	1,050.00	-	-	1,050.00	1,050.00	-	-	1,050.00	-	-
Other Intangible Assets										
Software	3,139.86	201.97	-	3,341.83	1,546.86	390.49	-	1,937.35	1,404.48	1,593.00
Brands , Trade Marks & Others	158,730.91	30.00	-	158,760.91	78,219.33	20,909.98	-	99,129.31	59,631.60	80,511.58
Copy Rights	20,720.00	-	-	20,720.00	15,768.43	4,145.23	-	19,913.66	806.34	4,951.57
Other Intangible Assets Total	182,590.77	231.97	-	182,822.74	95,534.62	25,445.70	-	120,980.32	61,842.42	87,056.15
Intangible Assets under Development	111.67	228.93	(221.39)	119.21	-	-	-	-	119.21	111.67
Grand Total	183,752.44	460.90	(221.39)	183,991.95	96,584.62	25,445.70	-	122,030.32	61,961.63	87,167.82

3.4. RIGHT OF USE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Land	Buildings	Total
At 1st April 2019	-	156.30	156.30
Reclassified on account of Ind AS 116	314.51	-	314.51
Additions	-	1,044.47	1,044.47
At 31st March 2020	314.51	1,200.77	1,515.28
Depreciation as at 1st April 2019			
Charge for the year	5.33	275.11	280.44
At 31st March 2020	5.33	275.11	280.44
Net Book Value			
At 31st March 2020	309.18	925.66	1,234.84

Refer Note No.3.48 for the related disclosures.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.1 PROPERTY PLANT & EQUIPMENT (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block			As at 31.3.2019	Depreciation			As at 31.3.2019	Net Block	
	As at 14.2018	Additions	Disposals/ Transfer in /(Out)		As at 14.2018	For the year	Disposals/ Transfer in /(Out)		As at 31.3.2019	As at 31.3.2018
Land										
Leasehold	334.63	-	-	334.63	14.79	5.33	-	20.12	314.51	319.84
Freehold	4,877.92	768.44	-	5,646.36	-	-	-	-	5,646.36	4,877.92
Building (including roads)*	29,222.46	1,914.38	(424.89)	30,711.95	1,764.46	873.30	(20.07)	2,617.69	28,094.26	27,458.00
Plant & Equipment	45,364.32	4,285.55	(572.10)	49,077.77	9,982.69	4,985.02	(303.61)	14,664.10	34,413.67	35,381.63
Furniture & Fixture	1,861.69	295.34	(24.63)	2,132.40	382.36	257.96	(13.14)	627.18	1,505.22	1,479.33
Office Equipment	2,434.58	526.78	(19.60)	2,941.76	899.55	298.79	(10.31)	1,188.03	1,753.73	1,535.03
Computer	800.78	76.82	(1.07)	876.53	531.32	156.60	(0.57)	687.35	189.18	269.46
Motor Vehicles	1,008.18	263.73	(58.76)	1,213.15	304.83	147.49	(40.60)	411.72	801.43	703.35
Property, Plant & Equipment Total	85,904.56	8,131.04	(1,101.05)	92,934.55	13,880.00	6,724.49	(388.30)	20,216.19	72,718.36	72,024.56
Capital Work- In-Progress	2,212.68	2,548.86	(1,239.93)	3,521.61	-	-	-	-	3,521.61	2,212.68
Total	88,117.24	10,679.90	(2,340.98)	96,456.16	13,880.00	6,724.49	(388.30)	20,216.19	76,239.97	74,237.24

*Transfer includes ₹ 107.38 Lacs (accumulated depreciation ₹ 5.25 Lacs) transferred to Investment property.

3.2 INVESTMENT PROPERTY (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block			As at 31.3.2019	Depreciation			As at 31.3.2019	Net Block	
	As at 14.2018	Additions	Disposals/ Transfer in /(Out)		As at 14.2018	For the year	Disposals/ Transfer in /(Out)		As at 31.3.2019	As at 31.3.2018
Building*	5,034.74	-	107.38	5,142.12	325.30	251.57	5.25	582.12	4,560.00	4,709.44
Total	5,034.74	-	107.38	5,142.12	325.30	251.57	5.25	582.12	4,560.00	4,709.44

*Transfer includes ₹ 107.38 Lacs (accumulated depreciation ₹ 5.25 Lacs) transferred from Property, Plant & Equipment.

Refer Note No 3.43 for disclosure of fair value of investment property.

3.3 INTANGIBLE ASSETS (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block			As at 31.3.2019	Amortization			As at 31.3.2019	Net Block	
	As at 14.2018	Additions	Disposals/ Transfer in /(Out)		As at 14.2018	For the year	Disposals/ Transfer in /(Out)		As at 31.3.2019	As at 31.3.2018
Goodwill	1,050.00	-	-	1,050.00	1,050.00	-	-	1,050.00	-	-
Other Intangible Assets										
Computer Software	1,518.50	1,621.36	-	3,139.86	899.29	647.57	-	1,546.86	1,593.00	619.21
Brands, Trade Marks & etc.	148,068.50	10,662.41	-	1,58,730.91	58,183.92	20,035.41	-	78,219.33	80,511.58	89,884.58
Copy Rights	20,720.00	-	-	20,720.00	11,623.20	4,145.23	-	15,768.43	4,951.57	9,096.80
Other Intangible Assets Total	1,70,307.00	12,283.77	-	1,82,590.77	70,706.41	24,828.21	-	95,534.62	87,056.15	99,600.59
Intangible Assets under Development	789.52	454.09	(1,131.94)	111.67	-	-	-	-	111.67	789.52
Grand Total	1,72,146.52	12,737.86	(1,131.94)	1,83,752.44	71,756.41	24,828.21	-	96,584.62	87,167.82	1,00,390.11

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.5 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Non Current		
Investments carried at cost (Unquoted, fully paid, unless otherwise stated)		
Equity shares		
In Subsidiaries		
Emami Bangladesh Limited		
37,916 (31.03.2019- 37,916) Equity Shares of Taka 100 each	27.82	27.82
Emami International FZE		
1 (31.03.2019 - 1) Equity Share of AED 1,50,000 each	-	18.98
{net of impairment of ₹ 18.98 lacs (31.03.2019 - Nil)}		
Emami Indo Lanka (Pvt) Limited		
1,13,850 (31.03.2019 - 1,13,850) Equity Shares of LKR 10 each	4.79	4.79
In Associates		
Helios Lifestyle Private Limited	1,944.18	1,944.18
72,261 (31.03.2019 - 72,261) Equity Shares of ₹10 each		
Brillare Science Private Limited { Refer note (b) below }	1,009.50	-
2,27,973 Equity shares of ₹10 each		
{net of impairment of ₹ 169.50 lacs (31.03.2019 - Nil)}		
Investments carried at amortised cost (Unquoted)		
Government & Trust Securities		
6 Years' National Savings Certificate	0.24	0.24
(Lodged With Government Authority)		
	(i)	
	2,986.53	1,996.01
Investments carried at FVTPL (Unquoted,fully paid)		
Equity Shares		
Brillare Science Private Limited { Refer note (b) below }	-	0.70
Nil (31.03.2019 - 100) Equity shares of ₹10 each		
Preference Shares		
Brillare Science Private Limited { Refer note (b) below }	-	978.30
Nil (31.03.2019 - 1,42,383) shares of ₹10 each		
Units of Alternate Investment Fund		
Fireside Ventures Investment Fund - I	2,343.14	1,274.98
1,307.2 (31.03.2019 - 1,105) Units of ₹1,00,000 each		
	(ii)	
	2,343.14	2,253.98
Investments Carried at FVTOCI (Quoted, fully Paid)		
Equity Shares		
Emami Paper Mills Limited	3,933.27	13,667.13
79,46,000 (31.03.2019 - 79,46,000) Equity Shares of ₹2 each		
	(iii)	
	3,933.27	13,667.13
Total (i) + (ii) + (iii)	9,262.94	17,917.12
Aggregate Amount of Quoted Investments & Market Value thereof	3,933.27	13,667.13
Aggregate Amount of Unquoted Investments	5,329.67	4,249.99
Aggregate Amount of impairment in value of Investment	188.48	-

Notes -

(a) Refer Note No 3.45 for determination of fair value

(b) During the current year, 1,42,383 preference shares of Brillare Science Private Limited have been converted into 1,89,878 Equity shares & 37,995 Equity shares were further purchased and therefore Brillare Science Private Limited has become an associate of the Company.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.6 LOANS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
At amortised cost		
Unsecured, Considered Good		
Security Deposits to Related Parties (Refer Note No 3.52)	31.55	31.75
Security Deposits to Others	490.62	464.81
Loans to Related Parties (Refer Note No 3.52)	3,998.45	418.49
Loans to Employees	106.68	55.59
At FVTPL		
Unsecured, Considered Good		
Loans to Related Parties (Refer Note No 3.52)	345.25	-
Total	4,972.55	970.64

3.7 OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2020		As at 31.03.2019	
At amortised cost				
Unsecured, Considered Good unless otherwise stated				
Incentive Receivable*	3,264.52		3,020.87	
Less: Provision for Doubtful Receivables	(178.67)	3,085.85	(113.98)	2,906.89
Other Receivables **				
Other Receivables **	911.00		-	
Less: Provision for Doubtful Receivables	(60.00)	851.00	-	-
Total		3,936.85		2,906.89

* It include Capital & Other Subsidies etc.

** Comprise of advances given to supplier in earlier years, now refundable.

3.8 NON-CURRENT TAX ASSETS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Advance Income Tax (Net of Provision)	1,300.05	1,259.22
Total	1,300.05	1,259.22

3.9 OTHER NON-CURRENT ASSETS (NET)

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, Considered Good unless otherwise stated		
Capital Advances	1,845.66	1,305.42
Deposit with Government authorities	373.96	441.69
Prepaid Expenses	268.75	28.79
Total	2,488.37	1,775.90

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.10 INVENTORIES

₹ in Lacs

Particulars	As at 31.03.2020		As at 31.03.2019	
(At lower of cost and net realisable value)				
Raw materials and Packing materials				
Raw Material	5,138.88		5,024.84	
Packing Material	3,624.69	8,763.57	2,917.69	7,942.53
Work-in-Progress		407.98		411.41
Finished Goods		10,382.26		8,757.59
Stock- in- Trade		2,180.48		3,445.72
Stores and Spares		854.59		796.36
Total		22,588.88		21,353.61

(a) During the year ended 31st March 2020, ₹ 57.51 lacs (31st March 2019: ₹ 143.86 lacs) was recognised as an expense for inventories carried at net realisable value.

(b) Above includes Inventories in Transit:

Raw Materials : ₹ 715.58 lacs (31.03.2019 : ₹ 795.43 lacs)

Packing Materials : ₹ 78.45 lacs (31.03.2019 : ₹ 31.10 lacs)

Finished Goods : ₹ 163.72 lacs (31.03.2019 : ₹ 98.74 lacs)

(c) Refer Note No 3.24 for information on inventories pledged as security

3.11 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Current		
Investments carried at FVTPL (Unquoted)		
Units of Mutual Fund		
HDFC Floating Rate Debt - Direct Plan - Wholesale Growth Option	-	785.64
Nil (31.03.2019-24,02,320) Units of ₹10 each		
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	3,012.04	-
9,42,561 (31.03.2019 - Nil) Units of ₹100 each		
Axis Liquid Fund - Direct- Growth	301.77	-
13,690 (31.03.2019 - Nil) Units of ₹1,000 each		
Nippon India Floating Rate Fund - Direct Growth Plan	1,016.75	-
30,92,127 (31.03.2019 - Nil) Units of ₹10 each		
PGIM India Insta Cash Fund - Direct Plan Growth	2,000.88	-
7,74,556 (31.03.2019 - Nil) Units of ₹100 each		
PGIM India Money Market Fund - Direct Plan Growth	501.50	-
50,000 (31.03.2019 - Nil) Units of ₹1,000 each		
Total	6,832.94	785.64
Aggregate Amount of Unquoted Investments	6,832.94	785.64

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.12 TRADE RECEIVABLES

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
At amortised cost		
Secured		
Considered Good	58.82	44.39
Unsecured		
Considered Good	18,109.85	14,181.05
Considered Doubtful	2,055.66	-
Subtotal	20,224.33	14,225.44
less : Allowance for doubtful trade receivables	2,055.66	-
Total	18,168.67	14,225.44

- (a) Refer Note No 3.24 for information on receivables secured against borrowings.
- (b) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (c) Refer Note no 3.52 for information on receivables from related parties.
- (d) Refer Note no 3.50 for credit risk and market risk.

3.13 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at 31.03.2020		As at 31.03.2019	
Cash and Cash Equivalents				
Balances with Banks	343.02		3,709.67	
Fixed Deposits with Banks (Original Maturity of less than 3 Months)	-		7,114.14	
Cash on hand	13.72	356.74	10.12	10,833.93
Total		356.74		10,833.93

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

₹ in Lacs

Particulars	1st April 2019	Cash Flow	On Account of Ind AS 116	31st March 2020
Current borrowings (excluding items listed below)	5,434.06	10,390.44	-	15,824.50
Current Lease Liabilities	-	(251.14)	771.36	520.22
Non-Current Lease Liabilities	-	-	429.42	429.42
Total	5,434.06	10,139.30	1,200.78	16,774.14

Particulars	1st April 2018	Cash Flow	On Account of Ind AS 116	31st March 2019
Current borrowings	27,936.94	(22,503.00)	-	5,434.06
Total	27,936.94	(22,503.00)	-	5,434.06

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.14 OTHER BANK BALANCES

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
At amortised cost		
Other Bank Balances		
Unpaid Dividend account #	187.13	175.05
Balance in Escrow account ##	5,003.60	-
Deposits with Original maturity of more than 3 months but less than 12 months *	182.36	58.46
Total	5,373.09	233.51

Earmarked for payment of Unclaimed Dividend

The Company has deposited an amount equivalent to 25% of the maximum Buyback size in the escrow account which includes ₹ 480 lacs i.e. 2.5% total buyback amount kept as deposit.

* Includes deposits amounting to ₹ 182.36 lacs (31.03.2019 : ₹58.17 lacs) under lien.

3.15 LOANS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
At amortised cost		
Unsecured, considered good		
Loans to Employees	255.21	263.86
Loans to Others (Refer Note No 3.40)	6,000.00	-
Deposits *	275.38	-
Total	6,530.59	263.86

* amount held as margin money with the broker for buyback of shares.

3.16 OTHER FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2020		As at 31.03.2019	
At amortised cost				
Unsecured, considered good				
Interest Receivable				
- from related parties (Refer Note No 3.52)	291.97		33.45	
- from others	1,946.89	2,238.86	10.39	43.84
Other Receivable				
- from related parties (Refer Note No 3.52)	921.23		356.21	
- from others	133.30	1,054.53	181.13	537.34
Incentive receivable*		5,325.93		4,215.88
At FVTPL				
Derivative assets - Forward & Option **		29.49		371.36
Total		8,648.81		5,168.42

* It include Subsidy, Export Incentives, GST Refund etc.

** Refer Note No. 3.45 for determination of fair value

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.17 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, considered good		
Advances other than Capital Advances		
For goods and services	1,862.25	5,254.25
To employees	226.94	178.80
Balances with Government Authorities	6,155.31	6,710.89
Prepaid Expenses	1,759.83	497.65
Total	10,004.33	12,641.59

3.18 EQUITY SHARE CAPITAL

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Authorised		
"50,00,00,000 (31.03.2019-50,00,00,000)		
Equity Shares of Re 1/- each*	5,000.00	5,000.00
Issued		
45,39,35,238 (31.03.2019-45,39,35,238)	4,539.35	4,539.35
Equity Shares of Re 1/- each fully paid up		
Subscribed & Paid up*		
45,31,80,768 (31.03.2019-45,39,35,238)		
Equity Shares of Re 1/- each fully paid up	4,531.81	4,539.35
Total Issued, Subscribed and Fully paid up Share Capital	4,531.81	4,539.35

* Of the above, 22,69,67,619 (31.03.2019 : 22,69,67,619) equity shares fully paid up have been issued in consideration other than cash by way of bonus shares in last 5 years.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

₹ in Lacs

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number of Shares	₹ In Lacs	Number of Shares	₹ In Lacs
Shares outstanding at the beginning of the year	45,39,35,238	4,539.35	22,69,67,619	2,269.68
Bonus shares issued during the year	-	-	22,69,67,619	2,269.67
Less : Shares bought back and pending extinguishment	7,54,470	7.54	-	-
Shares outstanding at the end of the year	45,31,80,768	4,531.81	45,39,35,238	4,539.35

Refer Note No. 3.55 for Buy back

(b) Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of Re 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares & pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting and is accounted for in the year in which it is approved by the shareholders in the general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.18 EQUITY SHARE CAPITAL (Cont.)

(c) Shareholders holding more than 5% shares in the Company

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Diwakar Viniyog Private Limited	4,95,33,849	10.91	5,86,33,849	12.92
Suntrack Commerce Private Limited	4,91,34,107	10.82	5,82,34,107	12.83
Bhanu Vyapaar Private Limited	4,37,65,902	9.64	5,10,45,902	11.25
Raviraj Viniyog Private Limited				
(Formerly Known as Emami Enclave Makers Private Limited)*	-	-	2,50,96,984	5.53
Suraj Viniyog Private Limited	-	-	2,36,45,848	5.21
Prabhakar Viniyog Private Limited (Formerly Known as Emami High Rise Private Limited)	-	-	2,41,31,492	5.32
SBI Consumption Opportunities Fund	3,14,86,699	6.94	2,33,05,013	5.13

3.19 OTHER EQUITY

₹ in Lacs

Particulars	As at 31.03.2020		As at 31.03.2019	
Retained Earnings				
Opening balance	69,963.83		59,082.00	
Net Profit for the Year	28,911.97		30,524.16	
Remeasurements of the Net Defined Benefit Plans (net of tax)	8.34		356.19	
Effects of adoption of new accounting standard , i.e, Ind AS 115	-		(1,501.98)	
Income Tax Effect	-		524.85	
Final Dividend#	(18,157.41)		(15,887.73)	
Interim Dividend#	(18,157.40)		-	
Corporate Dividend Tax#	(7,464.61)		(3,133.66)	
Closing Balance		55,104.72		69,963.83
Other Comprehensive Income				
Opening Balance	13,422.12		14,987.48	
Equity Instruments through Other Comprehensive Income (net of tax)*	(9,733.86)		(1,565.36)	
Closing Balance		3,688.26		13,422.12
Other Reserves				
Capital Reserves		79.64		79.64
Securities Premium				
Opening balance	30,935.49		33,205.16	
Issue of Bonus Shares	-		(2,269.67)	
Amount paid/payable upon for Buy back ##	(1,236.69)		-	
Buyback distribution tax ##	(289.13)		-	
Transaction costs related to Buyback ##	(114.17)		-	
Closing Balance		29,295.50		30,935.49

Notes to Financial Statements

as at & for the year ended 31st March, 2020

Particulars	As at 31.03.2020		As at 31.03.2019	
Capital Redemption Reserve (CRR)				
Opening balance	-		-	
Appropriation from general reserve upon Buyback of equity shares ##	7.54		-	
Closing Balance		7.54		-
General Reserve				
Opening Balance	87,500.00		87,500.00	
Transfer to capital redemption reserve upon Buyback of equity shares ##	(7.54)		-	
Closing Balance		87,492.46		87,500.00
Total		1,75,668.12		2,01,901.08

Refer Note No : 3.47

Refer Note No : 3.55

Nature and purpose of reserves

Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital Reserve

Capital Reserve has been primarily created on amalgamation in earlier years.

Retained Earnings

This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Other Comprehensive Income

This Reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

Capital Redemption Reserve

Represents the nominal value of Equity shares bought back pursuant to Buyback in accordance with Section 69 of the Companies Act, 2013.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.20 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
At amortised cost		
Unsecured		
Trade Deposits	287.80	264.62
Security Deposits	424.94	424.94
Lease Liabilities #	429.42	-
Total	1,142.16	689.56

Refer Note no 3.48

3.21 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Employee Benefits		
Gratuity (Refer Note No: 3.36)	1,855.29	1,668.37
Total	1,855.29	1,668.37

3.22 DEFERRED TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liabilities		
Tax impact arising out of temporary differences in depreciable assets	4,170.83	3,516.62
Tax impact arising on fair value gain on financial instruments	38.15	159.69
Deferred Tax Assets		
Tax Impact of expenses allowable against taxable income in future years	(4,208.98)	(2,127.46)
Total	-	1,548.85

3.23 OTHER NON-CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Government Grants*	2,155.69	2,367.55
Total	2,155.69	2,367.55

* To be amortised to income over the life of the assets against which such grants are received / receivable.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.24 BORROWINGS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
At amortised cost		
Secured		
From Banks		
Cash Credit (including working capital demand loan)	3,793.00	3,572.52
Packing Credit	1,500.00	1,861.54
(Both cash credit & packing credit is secured by hypothecation of inventories, book debts on first charge basis ranking pari passu amongst lenders)		
Unsecured		
From Banks		
Cash Credit (including working capital demand loan)	8,783.98	-
Packing Credit	1,747.52	-
Total	15,824.50	5,434.06

Notes :

1. Cash Credit (including working capital demand loan) is repayable within 60 days & carries interest in the range of 7.00% - 9.45% (31.03.2019 : Interest rate 7.50% - 10.00%)
2. Packing credit is repayable within 6 months & carries interest in the range of 4.00% - 5.00% (31.03.2019 : Interest rate 4.80% - 5.50%)

3.25 TRADE PAYABLES

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
At amortised cost		
Total outstanding dues of Micro & Small Enterprises (Refer Note No: 3.39)	2,304.19	303.48
Total outstanding dues of creditors other than Micro & Small Enterprises	21,608.26	22,195.65
Total	23,912.45	22,499.13

Refer Note no 3.50 for liquidity risk and market risk

3.26 OTHER CURRENT FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
At amortised cost		
Interest Accrued but not due on Borrowings	26.21	30.19
Interest Accrued and due on Trade Deposits	8.03	8.03
Creditors for Capital Goods	504.77	8,947.96
Unpaid Dividend ##	187.13	175.05
Employee Benefits	3,059.36	2,499.19
Security Deposit	79.50	79.50
Lease Liabilities #	520.22	-
Other Payables	112.45	550.00
At FVTPL		
Financial Guarantee Obligation (Refer Note No 3.52)	4,766.29	-
Total	9,263.96	12,289.92

Refer Note No : 3.48

Unpaid dividend does not include amount due and outstanding, to be credited to Investor Education and Protection Fund.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.27 OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Government Grants*	212.26	212.19
Advance from Customers	530.05	1,012.30
Duties & Taxes	3,748.50	1,018.61
Total	4,490.81	2,243.10

* To be amortised to income over the life of the assets against which such grants are received / receivable.

3.28 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Employee Benefits		
Provident Fund (Refer Note No: 3.37)	352.05	102.11
Leave Encashment	914.28	770.99
Others		
Provision for Litigation (Refer Note No: 3.38)	1,436.38	773.50
Provision for Rebates and Damage return (Refer Note No: 3.61)	1,930.44	1,475.99
Total	4,633.15	3,122.59

3.29 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	2019-2020	2018-2019
Revenue from contracts with customers		
Sale of Products (Refer Note No 3.60)	2,34,207.05	2,44,924.52
Other Operating Revenues*	4,785.31	3,945.17
Total	2,38,992.36	2,48,869.69

* It includes amortisation of Capital Subsidy, Export incentives and GST Refund

3.30 OTHER INCOME

₹ in Lacs

Particulars	2019-2020	2018-2019
Interest Received on financial assets carried at amortised cost		
Loans & Deposits	2,688.13	1,326.66
Dividend Income from equity investment carried at cost	3,852.55	642.72
Dividend Income from equity investment carried at fair value through OCI	95.35	95.35
Income received on investment carried at fair value through Profit or Loss		
Profit on Sale/Fair Value of mutual funds	1,437.53	924.01
Profit on Derivative Instruments (net)	-	160.07
Profit on Sale of Property, Plant & Equipments (net)	589.18	1.39
Rent and Maintenance Charges Received	536.29	396.57
Sundry Balances Written Back	93.11	-
Miscellaneous Receipts	116.40	172.88
Total	9,408.54	3,719.65

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.31 COST OF MATERIALS CONSUMED

₹ in Lacs

Particulars	2019-2020		2018-2019	
Raw materials and Packing materials				
Opening Stock	7,942.53		6,772.51	
Add : Purchases during the year	71,865.61		75,473.45	
Less : Closing Stock	8,763.57		7,942.53	
Total		71,044.57		74,303.43

3.32 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK- IN- PROGRESS

₹ in Lacs

Particulars	2019-2020		2018-2019	
(I) Opening Stock				
Work-in-progress	411.41		376.50	
Finished Goods	8,757.59		8,143.26	
Stock-in-Trade	3,445.72	12,614.72	2,648.35	11,168.11
(II) Closing Stock				
Work-in-progress	407.98		411.41	
Finished Goods	10,382.26		8,757.59	
Stock-in-Trade	2,180.48	12,970.72	3,445.72	12,614.72
(I) - (II)		(356.00)		(1,446.61)

3.33 EMPLOYEE BENEFITS EXPENSE

₹ in Lacs

Particulars	2019-2020	2018-2019
Salaries and Wages	22,732.15	20,975.78
Staff Contribution to Provident and Other Funds	1,678.68	1,380.62
Gratuity Expenses (Refer Note No 3.36)	539.74	645.68
Welfare Expense	619.09	726.53
Total	25,569.66	23,728.61

3.34 FINANCE COSTS

₹ in Lacs

Particulars	2019-2020	2018-2019
Interest on debts & borrowings	1,842.34	1,928.94
Interest on lease liabilities	47.53	-
Total	1,889.87	1,928.94

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.35 OTHER EXPENSES

₹ in Lacs

Particulars	2019-2020		2018-2019	
Consumption of Stores and Spare parts		578.91		499.01
Power and Fuel		2,180.82		2,217.64
Rent (Refer Note No 3.48)		559.26		735.99
Repairs & Maintenance :				
Building	213.71		262.61	
Machinery	1,071.01		1,054.33	
Others	1,883.82	3,168.54	1,892.01	3,208.95
Insurance		222.84		195.98
Freight & Forwarding		5,912.57		6,203.96
Directors' Fees and Commission		601.00		647.35
Advertisement & Sales Promotion		37,112.81		39,859.84
Packing Charges		5,854.56		4,565.83
Commission		893.90		940.69
Provision for doubtful receivables		124.69		-
Provision for doubtful trade receivables		2,055.66		-
Legal and Professional Fees		3,238.75		2,249.69
Travelling and Conveyance		2,418.68		2,549.28
Expenditure on CSR Activities (Refer Note No 3.51)		564.14		796.56
Provision of financial guarantee obligation (Refer Note No 3.52)		4,766.29		-
Loss on fair value of derivatives		341.87		-
Loss on fair value of Loan at FVTPL		54.75		-
Loss on Impairment of Investment in an Associate & a subsidiary		188.48		-
Sundry Balance written off		-		16.65
Miscellaneous Expenses (Refer Note No 3.42)		2,756.93		2,263.64
Total		73,595.45		66,951.06

3.36 DEFINED BENEFIT PLAN (GRATUITY) :

- (i) The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death.

The Company makes contributions to Himani Limited Gratuity Fund, J.B.Marketing and Services Employees Gratuity Fund, Zandu Pharmaceuticals Employees Gratuity Fund & Kemco Chemicals Employees Gratuity Fund, which is funded defined benefit plan for qualifying employees.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.36 DEFINED BENEFIT PLAN (GRATUITY) : (Cont.)

(ii) Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme.

₹ in Lacs

Particulars	Gratuity Funded	
	As at 31.03.2020	As at 31.03.2019
A Expenses Recognised in the Income Statement		
1 Current Service Cost	412.69	478.89
2 Past Service Cost	-	-
3 Loss/(Gain) on settlement	-	-
4 Net Interest Cost/(Income) on the Net Defined Benefit Liability/ (Asset)	127.05	166.79
5 Total Expenses recognised in the Statement of Profit and Loss	539.74	645.68
B Assets and Liability		
1 Present value of Obligation	4,427.29	3,899.13
2 Fair Value of Plan Assets	2,572.00	2,230.76
3 Funded Status [Surplus/(deficit)]	(1,855.29)	(1,668.37)
4 Net asset/(liability) recognised in balance sheet	(1,855.29)	(1,668.37)
C Change in Present Value of Obligation		
1 Present value of Obligation as at beginning of period	3,899.13	4,273.94
2 Current Service Cost	412.69	478.89
3 Interest Expense or Cost	296.95	328.85
4 Re-measurement (or Actuarial)(gain)/loss arising from :		
- Change in demographic assumptions	(61.13)	(54.27)
- Change in financial assumptions	121.00	(525.83)
- Experience variance (i.e.Actual experience vs assumptions)	(72.69)	14.30
5 Past Service Cost	-	-
6 Benefits Paid	(168.66)	(616.75)
7 Acquisition Adjustment	-	-
8 Effect of business combinations or disposals	-	-
9 Present value of Obligation as at the end of period	4,427.29	3,899.13
D Change in Fair Value of Plan Assets		
1 Fair Value of Plan Assets at beginning of period	2,230.76	2,106.36
2 Investment Income	169.90	162.07
3 Employer's Contribution	340.00	597.32
4 Benefits paid	(168.66)	(616.75)
5 Return on plan assets,excluding amount recognised in net interest expense	-	(18.24)
6 Acquisition Adjustment	-	-
7 Fair Value of Plan Assets at end of period	2,572.00	2,230.76
E Other Comprehensive Income		
1 Actuarial (gains)/losses		
- Change in demographic assumptions	(61.13)	(54.27)
- Change in financial assumptions	121.00	(525.83)
- Experience variance (i.e.Actual experience vs assumptions)	(72.69)	14.30
2 Return on plan assets,excluding amount recognised in net interest expense	-	18.24
3 Components of defined benefit costs recognised in other comprehensive income	(12.82)	(547.56)

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.36 DEFINED BENEFIT PLAN (GRATUITY) : (Cont.)

(iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2020	As at 31.03.2019
Funds managed by Insurer	100%	100%

(iv) Assumptions

Particulars	As at 31.03.2020	As at 31.03.2019
Financial Assumptions		
Discount Rate (%)	6.40%	7.60%
Salary Growth Rate (per annum)	6% for the first two years and 8% thereafter	8.00%
Demographic Assumptions		
Mortality Rate	100% (% of IALM 12-14)	100% (% of IALM 06-08)
Withdrawal Rate (per annum)	13.00%	10.00%

(v) Sensitivity Analysis :-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Defined Benefit Obligation (Base)	4,427.29	3,899.13

Particulars	As at 31.03.2020		As at 31.03.2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (₹ in Lacs)	4,629.43	4,243.27	4,097.57	3,719.83
(% change compared to base due to sensitivity)	4.60%	-4.20%	5.10%	-4.60%
Salary Growth Rate (- / + 1%) (₹ in Lacs)	4,243.03	4,625.71	3,718.88	4,094.89
(% change compared to base due to sensitivity)	-4.20%	4.50%	-4.60%	5.00%
Attrition Rate (- / + 50% of present attrition rate) (₹ in Lacs)	4,582.23	4,327.58	3,953.41	3,855.74
(% change compared to base due to sensitivity)	3.50%	-2.30%	1.40%	-1.10%
Mortality Rate (- / + 10%) (₹ in Lacs)	4,427.67	4,426.93	3,899.22	3,899.05
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.36 DEFINED BENEFIT PLAN (GRATUITY) : (Cont.)

(vi) Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Expected Contribution during the next annual reporting period ₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
The Company's best estimate of Contribution during the next year	300.00	300.00

c) Maturity Profile of Defined Benefit Obligation

Particulars	As at 31.03.2020	As at 31.03.2019
Weighted average duration (based on discounted cashflows)	4 Years	5 Years

Expected cash flows over the next (valued on undiscounted basis):	2019-2020	2018-2019
1 Year	1,591.42	1,270.92
2 to 5 Years	1,820.97	1,629.32
6 to 10 Years	1,387.87	1,384.08
More than 10 Years	1,299.52	1,822.92

(vi) Description of Risk Exposures

Valuations are performed on certain basic set of pre determined assumptions and other regulatory frame work which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk:

This is the risk that the Company is not able to meet the short-term gratuity pay outs. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk:

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions considered for the valuation.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.36 DEFINED BENEFIT PLAN (GRATUITY) : (Cont.)

Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts. (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

Asset Liability Mismatching or Market Risk:

The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

Investment Risk:

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

3.37 DEFINED BENEFIT PLAN (PROVIDENT FUND):

- (i) In respect of certain employees, provident fund contributions are made to a Trust administered by the Company.

The defined benefit obligation arises from the possibility that during any time period in the future, the scheme may earn insufficient investment income to meet the guaranteed interest rate declared by government/EPFO / relevant authorities.

The net defined benefit obligation as at the valuation date, thus, represents the excess of accrued account value plus interest rate guaranteed liability over the fair value of plan assets.

- (ii) Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme.

₹ in Lacs

Assets and Liability	As at 31.03.2020	As at 31.03.2019
Accumulated Account Value of Employee's Fund	11,914.68	10,049.36
Interest Rate Guarantee Liability	275.50	210.59
Present value of benefit obligation at end of the period	12,190.18	10,259.95
Fair Value of Plan Assets	11,838.13	10,157.84
Net Asset / (Liability)	(352.05)	(102.11)

Interest Rate Guarantee Liability	As at 31.03.2020	As at 31.03.2019
Interest Rate Guarantee Liability	275.50	210.59
Fund Reserve and (Shortfall)/Surpluses	(76.55)	108.48
Net Liability	352.05	102.11

- (iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2020	As at 31.03.2019
Government of India securities	11.05%	10.28%
State Government securities	36.49%	37.32%
High quality corporate bonds	42.55%	45.23%
Equity shares of listed companies	3.12%	3.36%
Special Deposit Scheme	0.25%	0.29%
Bank balance	2.29%	1.48%
Other Investments	4.25%	2.04%
Total	100%	100%

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.37 DEFINED BENEFIT PLAN (PROVIDENT FUND) : (Cont.)

(iv) Assumptions

Particulars	As at 31.03.2020	As at 31.03.2019
Discount rate	5.62%	7.00%
Expected Guarantee Interest Rate	8.50%	8.65%
Mortality Rate	100% (% of IALM 12-14)	100% (% of IALM 06-08)
Attrition Rate (for all ages; per annum)	13.00%	10.00%

(v) Liability sensitivity analysis

Significant actuarial assumptions for the determination of the guarantee liability are interest rate guarantee and discount rate.

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Defined Benefit Obligation (Base)	12,190.18	10,259.94

Particulars	As at 31.03.2020		As at 31.03.2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (₹ in Lacs)	12,199.86	12,174.43	10,261.21	10,228.67
(% change compared to base due to sensitivity)	0.08%	-0.13%	0.01%	-0.30%
Interest rate guarantee (-/+ 1%) (₹ in Lacs)	11,914.68	12,803.38	10,049.36	10,713.84
(% change compared to base due to sensitivity)	-2.26%	5.03%	-2.05%	4.42%

3.38 THE COMPANY HAS MADE A PROVISION OF ₹ 662.88 LACS (31.03.2019 - ₹ NIL) TOWARDS CASES WHICH ARE UNDER LITIGATION/DISPUTE DURING THE YEAR AS SHOWN BELOW :

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Balance	773.50	933.53
Provisions made during the year	662.88	-
Payment/reversals during the year	-	(160.03)
Closing Balance	1,436.38	773.50

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.39 INFORMATION RELATING TO MICRO & SMALL ENTERPRISES (MSME)'S :

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	2,304.19	303.48
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year.	-	-
Interest due and payable towards suppliers registered under MSMED Act for payments already made.	-	-
Further interest remaining due and payable for earlier years	-	-
Total	2,304.19	303.48

3.40 (A) DISCLOSURES PURSUANT TO THE REGULATION 34(3) READ WITH PARA A OF SCHEDULE V TO SEBI LISTING REGULATION 2015

₹ in Lacs

Loans and advances in the nature of loans to subsidiaries and associates	As at 31.03.2020	As at 31.03.2019
Loan to subsidiary : (including interest)	4140.42	451.95
Maximum amount outstanding at any time during the year (including interest)	4140.42	451.95
Loan to Associates : (including interest)	495.25	-
Maximum amount outstanding at any time during the year (including interest)	563.82	-

(B) Disclosures pursuant to Sub-Section (4) of Section 186 of Companies Act, 2013:

- Details regarding investments made are given under Note No. 3.5
- Details regarding Loans and guarantees given are as follows :

₹ in Lacs

Particulars	Note No.	Purpose	As at 31.03.2020	As at 31.03.2019
Loan to Subsidiary and Associates	3.52	Working Capital Requirements	4,398.45	418.49
Loan to Others*		Working Capital Requirements	6,000.00	-
Corporate Guarantee given	3.41	Working Capital Requirements	8,460.53	5,533.70

*During the year, the Company has given loans to a body corporate at 14% p.a interest, of which ₹6,000 lacs was outstanding as at 31st March, 2020. The amount was received along with interest subsequent to the balance sheet date.

- (C) Security Deposit of ₹5.45 Lacs (31.03.2019 - ₹5.55 Lacs) given to Directors of the Company against tenancies. (Maximum amount outstanding during the year - ₹5.55 Lacs (31.03.2019 - ₹5.65 Lacs).

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.41 CONTINGENT LIABILITIES & COMMITMENTS

I) Contingent Liabilities

₹ in Lacs

(a) Claims against the Company not acknowledged as debt :	As at 31.03.2020	As at 31.03.2019
i) Excise Duty and Customs demands	247.29	364.95
ii) Sales Tax demands under appeal	235.86	493.41
iii) Entry Tax	-	12.89
iv) Others	23.05	23.05

Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision there against is considered necessary. The timing of outflow of resources is not ascertainable.

(b) Guarantees	As at 31.03.2020	As at 31.03.2019
Bank Guarantees	395.16	484.22
Corporate Guarantee issued on behalf of a subsidiary company	6,431.59	5,533.70
Letter of Comfort issued on behalf of subsidiary company	2,028.94	-

(II) Commitments:

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Capital Commitments : Estimated amount of commitments [net of advances of ₹1,900.04 Lacs (31.03.2019- ₹2,037.98 Lacs)] on capital account not provided for	2,200.99	2,854.77

(b) **EPCG Commitments** : The Company had procured capital goods under the Export Promotion Capital Goods Scheme of the Government of India, at a concessional rate of customs duty / excise on an undertaking to fulfill quantified export obligation within the specified periods, failing which, the Company has to make payment to the Government of India equivalent to the duty benefit enjoyed along with interest. Related export obligation to be met is ₹1,427.06 Lacs (31.03.2019 - ₹2,077.91 Lacs). In addition, the Company needs to maintain the average annual export turnover of ₹3,293.00 Lacs to meet the above export obligation. The Company is confident that the above export obligation will be met during the specified period.

(c) **Other Commitments** : The Company has ongoing commitment to extend financial support to its wholly-owned subsidiary Emami Indo Lanka (Pvt) Ltd., Srilanka and Step-down subsidiary Pharma Derm SAE Co, Egypt. The future cash flow in respect of the above cannot be ascertained at this stage.

3.42 PAYMENT TO AUDITORS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
As Statutory Auditors :		
Audit Fees	37.50	37.50
Limited Review	42.50	35.00
Other Services	25.50	18.00
Other Reimbursement	5.50	2.79
	111.00	93.29
Payment to Cost Auditors		
Audit Fees	1.50	1.50

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.43 INFORMATION REGARDING INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Income derived from investment properties	505.53	357.11
Less : Direct operating expenses (including repairs and maintenance) generating income from investment property	113.52	95.20
Profit arising from investment properties before depreciation and indirect expenses	392.01	261.91
Less – Depreciation	91.91	251.57
Profit arising from investment properties before indirect expenses	300.10	10.34

Reconciliation of fair value:

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Fair value of opening balance of Investment Property	7,023.35	5,095.41
Fair value adjustment on opening balance of Investment Property	(912.19)	993.83
Fair value of transfer in/(out)	(148.00)	934.11
Fair value of closing balance of Investment Property	5,963.16	7,023.35

These valuations are based on valuations performed by the management based on the available market prices of the properties.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

3.44 CATEGORIZATION OF FINANCIAL INSTRUMENTS:

₹ in Lacs

Particulars	Carrying value /Fair value	
	As at 31.03.2020	As at 31.03.2019
(i) Financial Assets		
a) Measured at FVTPL		
- Investments in mutual funds / alternate investment fund	9,176.08	2,060.62
- Investments in Preference Shares	-	978.30
- Investments in Equity Shares	-	0.70
- Loans	345.25	-
- Other Financial Assets (Derivative assets - Forward & Option)	29.49	371.36
b) Measured at FVOCI		
- Investments in Equity Shares	3,933.27	13,667.13
c) Measured at Amortised Cost*		
- Loans	11,157.89	1,413.30
- Other Financial Assets	12,556.17	7,703.95
TOTAL	37,198.15	26,195.36
(ii) Financial Liabilities		
a) Measured at Amortised Cost*		
- Financial Guarantee obligation	4,766.29	-
b) Measured at Amortised Cost*		
- Borrowings (Secured & Unsecured)	15,824.50	5,434.06
- Other Financial Liabilities	5,639.83	12,979.48
TOTAL	26,230.62	18,413.54

*Fair values of assets / liabilities carried at amortised cost are reasonable approximation of its carrying values.

The Company has not disclosed fair value of financial instruments such as cash and cash equivalents, other bank balances, trade receivables and trade payables because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.45 FAIR VALUE HIERACHY

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020 :

Particulars	Fair value measurement at end of the reporting year using			As at 31.03.2020
	Level 1	*Level 2	*Level 3	Total
Assets				
Investments in mutual fund units / alternate investment fund	-	9,176.08	-	9,176.08
Investments in Equity Shares	3,933.27	-	-	3,933.27
Loan	-	-	345.25	345.25
Derivative financial instruments - Derivative assets - Forward & Option	-	-	29.49	29.49
Liability				
Financial Guarantee obligation	-	4,766.29	-	4,766.29

Particulars	Fair value measurement at end of the reporting year using			₹ in Lacs As at 31.03.2019
	Level 1	*Level 2	*Level 3	Total
Assets				
Investments in mutual fund units / alternate investment fund	-	2,060.62	-	2,060.62
Investments in Equity Shares	13,667.13	-	0.70	13,667.83
Investments in Preference Shares	-	-	978.30	978.30
Derivative financial instruments - Derivative assets - Forward & Option	-	-	371.36	371.36

* Refer note below for valuation technique and inputs used.

Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
Loan	Discounting Cash Flow Method	Discount Rate	1% increase in Discount rate will decrease profit before tax by ₹4.00 Lacs and 1% decrease will increase profit before tax by ₹4.00 Lacs.
Derivative Financial instrument - Options Contract	Discounting Cash Flow Method	Volatility Factors	5% increase in Volatility factors will increase Profit before tax by ₹4.81 Lacs and 5% decrease will decrease Profit before tax by ₹4.66 lacs

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.45 FAIR VALUE HIERACHY (Cont.)

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year.

Reconciliation of fair value measurement of Level 3 assets.

Particulars	"Amount (₹ in Lacs)"
As at 01.04.2018	800.02
Purchases /Addition	200.00
Fair Value Changes	350.34
As at 31.03.2019	1,350.36
Purchases /Addition	345.25
Disposal/Deletion	979.00
Fair Value Changes	(341.87)
As at 31.03.2020	374.74

3.46 INCOME TAXES

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below :

Particulars	₹ in Lacs	
	2019-2020	2018-19
Profit before Income Taxes	33,785.64	39,649.52
Enacted Tax Rate in India	34.94%	34.94%
Computed expected tax expenses	11,806.05	13,855.13
Tax Incentives for 80IC/IE units	(8,750.48)	(4,692.63)
Difference between tax depreciation and book depreciation estimated to be reversed during tax holiday period	2,886.61	2,033.56
CSR expenses	197.13	284.79
Lower tax rate on dividend received from foreign subsidiary	(768.39)	(112.34)
MAT credit (availment) / reversal	(214.00)	(2,219.85)
Credit on Dividend received from Foreign subsidiaries as per Income Tax Act	(792.00)	-
Deferred Tax Asset not Recognised	559.85	-
Other Adjustments	(51.12)	(23.30)
Income Tax expense	4,873.67	9,125.36

Details of current tax (MAT) for the year :

Particulars	₹ in Lacs	
	2019-2020	2018-19
Current tax / MAT*	6,641.00	10,856.85
Less : MAT credit utilised	(214.00)	(2,219.85)
Add : Deferred tax charge/(credit)	(1,553.33)	488.36
Income Tax expense	4,873.67	9,125.36

* This amount is net of benefit received on the dividend received from a foreign subsidiary amounting to ₹ 792 lacs (31.03.2019 : ₹ Nil)

Deferred Tax Assets for MAT Credit entitlement amounting to ₹28,681.82 Lacs (31.03.2019 - ₹28,895.82 Lacs) and deferred tax asset on temporary differences amounting to ₹559.85 lacs (31.03.2019 - Nil) has not been recognised considering that the availability of taxable profit against which such deductible temporary difference can be utilised cannot be ascertained with required level of certainty.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.46 INCOME TAXES (Cont.)

Table showing assessment years till which unutilised MAT credits can be carried forward:

Assessment Year (A.Y)	Net Balance available (₹ in Lacs)	MAT Credit available till A.Y
2009-10	882.71	2024-25
2010-11	1,698.00	2025-26
2011-12	1,473.75	2026-27
2012-13	1,943.09	2027-28
2013-14	4,285.57	2028-29
2014-15	2,647.87	2029-30
2016-17	6,642.52	2031-32
2017-18	4,793.46	2032-33
2018-19	2,505.27	2033-34
2019-20	1,809.58	2034-35
TOTAL	28,681.82	-

The Taxation Laws (Amendment) Ordinance, 2019 was promulgated on 20 September 2019, which amends the Income Tax Act, 1961, and the Finance (No. 2) Act, 2019. The Ordinance provides domestic companies with an option to opt for lower tax rates, provided they do not claim certain deductions. Further, CBDT has clarified that the tax credit of MAT paid by the domestic company exercising option under section 115BAA of the Act shall not be available consequent to exercising of such option.

As there is no time line within which option under section 115BAA can be exercised, it may be noted that a domestic company having credit of MAT may, if it so desires, exercise the option after utilising the said credit against the regular tax payable. The management has assessed the impact of the above ordinance and CBDT clarification and in view of the significant amount of MAT credit and a unit having tax holiday, the management has chosen not to opt for lower tax rates and continue with the normal tax rate.

3.47 DISTRIBUTION OF DIVIDEND

Particulars	₹ in Lacs	
	2019-2020	2018-2019
Dividend on equity shares declared and paid :		
Final dividend for the year ended 31.03.2019 :- ₹4.00 per share (31.03.2018 :- ₹7.00 per share)	18,157.41	15,887.73
Dividend Distribution Tax (DDT) on final dividend	3,732.31	3,133.66
1st Interim dividend for the year ended 31.03.2020 :- ₹2.00 per share (31.03.2019 :- ₹Nil per share)	9,078.70	-
DDT on Interim dividend	1,866.15	-
2nd Interim dividend for the year ended 31.03.2020 :- ₹2.00 per share (31.03.2019 :- ₹Nil per share)	9,078.70	-
DDT on Interim dividend	1,866.15	-
	43,779.42	19,021.39
Proposed dividends on Equity Shares		
Final dividend for the year ended 31.03.2020 :- ₹Nil per share (31.03.2019 :- ₹4.00 per share)	-	18,157.41
DDT on Proposed dividend	-	3,732.31
	-	21,889.72

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.48 LEASES

Company as a Lessee

The company has applied Ind As 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in the Note 2.2(k) of Accounting Policies.

Impact on Balance Sheet (Increase/Decrease)

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Assets		
Right of Use Assets (Refer Note No. 3.4)	1,234.84	470.81
Liabilities		
Lease Liabilities	949.64	156.30

Impact on Statement of Profit and Loss

₹ in Lacs

Particulars	2019-2020
Depreciation and Amortisation	280.44
Other Expenses	(298.68)
Finance Cost	47.54
Income Tax Expenses	(8.38)
Loss for the period	20.92

Impact on Statement of Cash Flows

₹ in Lacs

Particulars	2019-2020
Payment of principal portion of lease liabilities	251.14
Payment of Interest portion of lease liabilities	47.54
Net Cash flows used in financial activities	298.68

There is no material impact on other comprehensive income or the basic and diluted earning per share.

The Company has lease contracts for Warehouse and office spaces used in its operations. These generally have lease terms between 1 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

₹ in Lacs

Particulars	As at 31.03.2020
Initial recognition on adoption of Ind AS 116	156.30
Reclassified from PPE to ROU asset on adoption of Ind AS 116	314.51
As at 1st April 2019	470.81
Addition during the year	1,044.47
Depreciation Expense	280.44
As at 31st March 2020	1,234.84

Set out below are the carrying amounts of lease liabilities and the movements during the year:

₹ in Lacs

Particulars	As at 31.03.2020
As at 1st April 2019	156.30
Addition during the year	1,044.47
Accretion of interest	47.54
Payments	298.68
As at 31st March 2020	949.64
Current	520.22
Non Current	429.42

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.48 LEASES (Cont.)

The effective interest rate for lease liabilities is 8.0%, with maturity between 2021-2024

The following are the amounts recognised in Statement of Profit and Loss:

Particulars	2019-2020	2018-2019
Depreciation expense of right-of use assets	280.44	-
Interest expenses on lease liabilities	47.54	-
Expense relating to other leases (including in other expenses)	559.26	735.99
Total amount recognised in Statement of Profit and Loss	887.24	735.99

Maturity analysis of lease liabilities are as follows:

	As at 31st March 2020
1 Year	520.22
2 to 5 Years	429.42

Company as a Lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

The Company has entered into operating leases on its investment property portfolio consisting of certain office (see Note 3.2). These leases have terms of between 1-5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessee is also required to provide a residual value guarantee on the properties. Rental income recognised by the Company during the year is ₹404.29 lacs (31.03.2019: ₹288.26 lacs).

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Within one year	160.62	198.02
After one year but not more than five years	-	160.62

3.49 CAPITAL MANAGEMENT

The Company's capital management is driven by its policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Company's capital. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is defined as current and non-current borrowings (including current maturity of long term debt and interest accrued) less cash and cash equivalents.

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Net Debt	15,493.97	(5,369.68)
Total equity	1,80,199.93	2,06,440.43
Net Debt plus Total Equity	1,95,693.90	2,01,070.75
Gearing Ratio	7.92%	0.00%

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.50 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

Foreign Currency risk

The Company operates both in domestic market and internationally and consequently the Company is exposed to foreign exchange risk through its sales in overseas countries, and purchases from overseas suppliers in foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table analyzes foreign currency risk from financial instruments

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Exposure Currency (USD)		
Trade Receivable	5,245.88	4,071.37
Loan given	3,848.45	418.49
Interest Receivable	291.97	33.46
Other Receivable	604.07	298.70
Financial Guarantee obligation	4,766.29	-
Exposure Currency (EURO)		
Trade Receivable	-	205.26
	14,756.66	5,027.28

For the year ended 31.03.2020 and 31.03.2019, every percentage appreciation/reduction in the exchange rate between the Indian rupee and U.S. dollar, would increase /decrease the Company's Profit before tax by approx ₹147.57 Lacs and ₹50.27 Lacs respectively.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution.

Commodity Price Risk

The Company is affected by the price volatility of its key raw materials. Its operating activities requires a continuous supply of key material for manufacturing of hair oil, talc ,balm and other products. The Company's procurement department continuously monitor the fluctuation in price and take necessary action to minimise its price risk exposure.

Security Price Risk

"Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Company invests its surplus funds in various mutual funds, debt instruments and equity instruments. These comprise of mainly liquid schemes of mutual funds, short term debt funds & income funds (duration investments) and certain quoted equity instruments. To manage its price risk arising from investments in mutual funds and equity

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.50 FINANCIAL RISK MANAGEMENT (Cont.)

instruments, the Company diversifies its portfolio. Mutual fund and equity investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

The Company's exposure to securities price risk arises from investments in mutual funds and equity investments held by the Company and classified in the Balance Sheet as fair value through profit or loss / fair value through other comprehensive income is disclosed under Note No.3.5 & 3.12.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹18,168.67 Lacs and ₹14,225.44 Lacs as at 31.03.2020 and 31.03.2019, respectively. Trade receivables includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis based on historical data of credit losses.

No customer individually accounted for more than 10% of the revenues from external customers during the year ended 31st March 2020 and 31st March 2019.

The ageing analysis of the receivables has been considered from the date the invoice falls due. ₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Less than 30 days	9,535.67	10,914.85
31 - 90 Days	3,691.00	2,091.93
91 to 180 days	4,032.00	893.44
More than 180 days	910.00	325.22
Total	18,168.67	14,225.44

₹ in Lacs

		Trade receivables				Total
		1-30 days past due	31-90 days past due	91-180 days past due	More than 180 days past due	
31-Mar-20	Estimated total gross carrying amount at default	9,535.67	4,058.38	5,680.73	949.55	20,224.33
	Expected Credit Loss- simplified approach	-	367.38	1648.73	39.55	2,055.66
	Net carrying amount	9,535.67	3,691.00	4,032.00	910.00	18,168.67

Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations as well as investment in mutual funds. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.50 FINANCIAL RISK MANAGEMENT (Cont.)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Less than 1 year		
Borrowings	15,824.50	5,434.06
Interest Payable on Borrowings in future	111.51	61.51
Trade Payables	23,912.45	22,499.13
Other financial Liabilities	9,263.96	12,289.92
	49,112.42	40,284.62
More than 1 year		
Other financial Liabilities	1,142.16	689.56
	1,142.16	689.56
Total	50,254.58	40,974.18

3.51 DETAILS OF CSR EXPENDITURE

₹ in Lacs

Particulars	2019-2020	2018-2019
a) Gross amount required to be spent by the Company during the year	802.00	791.00
b) Amount spent during the year		
i) Construction/Acquisition of any Asset	62.48	186.05
ii) On Purposes other than (i) above	501.66	610.51
Total	564.14	796.56

3.52 RELATED PARTY TRANSACTIONS :

A. Parties where Control exists /significant influence exist :

	Country of Incorporation	As at 31.03.2020 % of Holding	As at 31.03.2019 % of Holding
SUBSIDIARIES			
i) Emami Bangladesh Limited	Bangladesh	100.00%	100.00%
ii) Emami International FZE	UAE	100.00%	100.00%
iii) Emami Indo Lanka (Pvt) Limited	Sri Lanka	100.00%	100.00%
iv) Emami Overseas FZE - Subsidiary of Emami International FZE	UAE	100.00%	100.00%
v) Creme 21 GmbH (Formerly known as Fentus 113. GmbH)- Subsidiary of Emami International FZE	Germany	100.00%	100.00%
vi) Emami RUS (LLC) - Subsidiary of Emami International FZE	Russia	99.99%	99.99%
vii) PharmaDerm Company SAE.- Subsidiary of Emami Overseas FZE	Egypt	90.60%	90.60%
viii) Fravin Pty.Ltd, Australia-Subsidiary of Emami International FZE	Australia	85.00%	85.00%
ix) Greenlab Organics, Subsidiary of Fravin Pty Ltd. (Upto 7th Jan 2020. Refer Note No. 3.56)	United Kingdom	-	85.00%
x) Diamond Bio-tech Laboratories Pty Ltd., - Subsidiary of Fravin Pty Ltd.	Australia	85.00%	85.00%
xi) Abache Pty Ltd, - Subsidiary of Diamond Bio Tech. Laboratories Pty Ltd	Australia	85.00%	85.00%
ASSOCIATE			
i) Helios Lifestyle Private Limited	India	33.09%	33.80%
ii) Brillare Science Private Limited (w.e.f 22nd Apr 2019)	India	34.70%	0.00%

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.52 RELATED PARTY TRANSACTIONS : (Contd.)

B. Other Related Parties with whom transactions have taken place during the period

i) Key Management Personnel

1	Shri R. S. Agarwal	Chairman
2	Shri R. S. Goenka	Executive Director
3	Shri Sushil Kr. Goenka	Managing Director
4	Smt. Priti A. Sureka	Executive Director
5	Shri Mohan Goenka	Executive Director
6	Shri H. V. Agarwal	Executive Director
7	Shri Prashant Goenka	Executive Director
8	Sri N.H.Bhansali	CEO - Finance, Strategy & Business Development and CFO
9	Sri Arun Kumar Joshi	Company Secretary & VP- Legal

ii) Other Directors

1	Shri Aditya Vardhan Agarwal	Non Executive Director
2	Shri K.N.Memani	Independent Director
3	Shri Amit Kiran Deb	Independent Director
4	Shri Y.P.Trivedi	Independent Director
5	Shri S.B.Ganguly	Independent Director
6	Shri P.K.Khaitan	Independent Director
7	Shri C.K.Dhanuka	Independent Director
8	Smt. Rama Bijapurkar	Independent Director
9	Shri Debabrata Sarkar	Independent Director

iii) Relatives of Key Management Personnel

1	Ms. Usha Agarwal
2	Ms. Saroj Goenka
3	Ms. Indu Goenka
4	Ms. Rachna Bagaria
5	Ms. Laxmi Devi Bajoria
6	Ms. Jyoti Agarwal
7	Ms.Pooja Goenka
8	Ms.Smriti Agarwal
9	Ms. Sobhna Agarwal
10	Ms.Vidisha Agarwal
11	Ms.Avishi Sureka
12	Ms. Jyoti Goenka
13	Ms. Mansi Agarwal
14	Ms. Rachna Goenka
15	Ms.Rashmi Goenka
16	Ms.Richa Agarwal
17	Ms.Shreya Goenka
18	Ms.Vidula Agarwal
19	Shri Raj Kr. Goenka
20	Shri Manish Goenka
21	Shri Jayant Goenka
22	Shri Sachin Goenka
23	Shri Rohin Raj Sureka

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.52 RELATED PARTY TRANSACTIONS : (Contd.)

- 24 Shri Vibhash Vardhan Agarwal
- 25 Shri Yogesh Goenka
- 26 Shri Saswat Goenka
- 27 Ms. Chikky Goenka
- 28 Ms. Vidhishree Agarwal
- 29 Shri Vihan Vardhan Agarwal

iv) Entities where Key Management Personnel and their relatives have significant influence

- 1 Suntrack Commerce Private Limited
- 2 Diwakar Viniyog Private Limited
- 3 Bhanu Vyapaar Private Limited
- 4 Suraj Viniyog Private Limited
- 5 Emami Paper Mills Limited
- 6 Emami Cement Limited
- 7 Emami Frank Ross Limited
- 8 Pan Emami Cosmed Limited
- 9 Emami Realty Limited
- 10 Emami Agrotech Limited
- 11 CRI Limited
- 12 Aviro Vyapar Private Limited
- 13 AMRI Hospital Limited
- 14 Prabhakar Viniyog Private Limited (Formerly known as Emami High Rise Private Limited)
- 15 Ravi Raj Viniyog Private Limited (Formerly known as Emami Enclave Makers Private Limited)
- 16 Fastgrow Nirman Private Limited (Formerly known as Emami Nirman Private Limited)
- 17 Emami Vriddhi Commercial Private Limited
- 18 Emami Estates Private Limited
- 19 Emami Projects Private Limited
- 20 Emami Capital Markets Limited
- 21 Emami Group Of Companies Private Limited
- 22 Emami Home Private Limited
- 23 Emami Centre for Creativity Private Limited
- 24 Emami Power Limited
- 25 Narcissus Bio-Crops Private Limited (Formerly known as Emami International Private Limited)
- 26 Emami Constructions Private Limited
- 27 Supervalue Buildcon Private Limited (Formerly known as Emami Buildcon Private Limited)
- 28 Dev Infracity Private Limited
- 29 Emita Limited
- 30 Emami Beverages Limited
- 31 TMT Viniyogan Limited
- 32 EPL Securities Limited
- 33 Pacific Healthcare Pvt. Limited
- 34 Khaitan & Co.
- 35 Khaitan & Co. LLP

v) Trust where Key Management Personnel and their relatives have significant influence

- 1 Himani Limited Staff Provident Institution
- 2 Emami Foundation
- 3 Aradhana Trust

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.52 RELATED PARTY TRANSACTIONS : (Contd.)

C. Disclosure of Transactions between the Company and Related Parties.

₹ in Lacs

Particulars	Subsidiaries		Associate		Directors, Key Management Personnel & Relatives		Entities / Trust where Key Management Personnel and their relatives have significant influence		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1. Remuneration and Employee Benefits										
i) EXECUTIVE DIRECTORS										
- Short Term Employee benefits	-	-	-	-	1,523.02	1,375.18	-	-	1,523.02	1,375.18
- Post Employment benefits	-	-	-	-	64.92	58.60	-	-	64.92	58.60
- Commission	-	-	-	-	500.00	500.00	-	-	500.00	500.00
ii) OTHER DIRECTORS										
- Sitting Fees	-	-	-	-	32.50	30.10	-	-	32.50	30.10
- Commission	-	-	-	-	68.50	117.25	-	-	68.50	117.25
iii) CEO & COMPANY SECRETARY										
- Short Term Employee benefits	-	-	-	-	294.73	284.54	-	-	294.73	284.54
- Post Employment benefits	-	-	-	-	18.51	12.97	-	-	18.51	12.97
2. Sales										
- Sale of Goods	7,651.24	7,783.73	-	-	-	-	309.31	250.68	7,960.55	8,034.41
- Sale of Export Benefit Licence	-	-	-	-	-	-	74.97	280.94	74.97	280.94
3. Other Income										
- Sale of Property, Plant & Equipment	25.75	4.03	-	-	-	-	1.11	5.06	26.86	9.09
- Rent, Maintenance & Other Charges Received	-	-	-	-	-	-	475.60	582.47	475.60	582.47
- Royalty Received	331.58	118.12	-	-	-	-	159.13	191.77	490.71	309.89
- Dividend Received	3,852.55	642.72	-	-	-	-	95.35	95.35	3,947.90	738.07
- Guarantee Commission Received	62.68	55.34	-	-	-	-	-	-	62.68	55.34
- Interest Received	291.97	33.46	-	-	-	-	-	-	291.97	33.46
4. Purchase										
- Purchase of Property, Plant & Equipment	-	-	-	-	-	-	1.13	-	1.13	-
- Purchase of Gift and Promotional Items	-	-	0.02	0.07	-	-	21.07	15.78	21.09	15.85
- Purchase of Raw Materials	-	-	-	-	-	-	19.26	2,893.57	19.26	2,893.57
5. Other Expenses										
- Rent, Maintenance & Other Charges Paid	-	-	-	-	12.80	12.80	88.90	50.64	101.70	63.44
- Donation Paid	-	-	-	-	-	-	409.75	352.22	409.75	352.22
- Provision of financial Guarantee obligation	4,766.29	-	-	-	-	-	-	-	4,766.29	-
- Provision for Doubtful Trade receivable	2,015.70	-	-	-	-	-	-	-	2,015.70	-
- Loss on Fair value of Loan at FVTPL	-	-	54.75	-	-	-	-	-	54.75	-
- Loss on Impairment of Investment	18.98	-	169.50	-	-	-	-	-	188.48	-
- Others	-	-	-	-	-	-	81.77	135.34	81.77	135.34

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.52 RELATED PARTY TRANSACTIONS : (Contd.)

Particulars	Subsidiaries		Associate		Directors, Key Management Personnel & Relatives		Entities / Trust where Key Management Personnel and their relatives have significant influence		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
6. Dividend Paid	-	-	-	-	2,071.00	1,241.11	16,675.87	9,808.58	18,746.87	11,049.69
7. Loan Given	3,119.68	97.53	550.00	-	-	-	-	-	3,669.68	97.53
8. Investment including Commitments	-	-	200.00	-	-	-	-	-	200.00	-
9. Security Deposit Received	-	-	-	-	-	-	5.00	5.28	5.00	5.28
10. Security Deposit Given	-	-	-	-	-	-	-	10.50	-	10.50
11. Refund against Security Deposit Paid	-	-	-	-	0.20	0.20	-	-	0.20	0.20
12. Refund against Security Deposit Received	-	-	-	-	-	-	-	15.73	-	15.73
13. Reimbursement of Expenses	23.61	72.55	0.99	-	-	-	144.66	12.50	169.26	85.05
14. Reimbursement of Capital Expenditure	1,207.48	-	-	-	-	-	-	-	1,207.48	-
15. Contribution to Provident Fund	-	-	-	-	-	-	678.01	609.50	678.01	609.50

D. The details of amount due to or due from related parties as at 31.03.2020 and 31.03.2019 as follows :

₹ in Lacs

Particulars	Related Party	As at	As at
		31.03.2020	31.03.2019
Investment	Subsidiaries	32.61	51.59
	Associate	2,953.69	1,944.19
	Entities where Key Management Personnel and their relatives have significant influence	3,933.27	13,667.12
		6,919.57	15,662.90
Trade Receivable	Subsidiaries (net of allowance for doubtful trade receivable ₹2,015.70 lacs) (31.03.2019 : ₹ Nil)	2,787.34	3,274.69
	Entities where Key Management Personnel and their relatives have significant influence	26.80	8.84
		2,814.14	3,283.53
Loan Receivable	Subsidiaries	3,848.45	418.49
	Associate (net of fair value loss of ₹54.75 lacs) (31.03.2019 : ₹ Nil)	495.25	-
		4,343.70	418.49
Other Receivable	Subsidiaries	896.04	332.16
	Entities where Key Management Personnel and their relatives have significant influence	317.16	57.50
		1,213.20	389.66
Trade Payables	Entities where Key Management Personnel and their relatives have significant influence	-	99.11
Other Payable	Entities where Key Management Personnel and their relatives have significant influence	32.93	6.69
	Associate	-	550.00
		32.93	556.69

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.52 RELATED PARTY TRANSACTIONS : (Contd.)

Particulars	Related Party	As at 31.03.2020	As at 31.03.2019
Security Deposit Paid	Key Management Personnel & Relatives	14.05	14.25
	Entities where Key Management Personnel and their relatives have significant influence	17.50	17.50
		31.55	31.75
Security Deposit Received	Entities where Key Management Personnel and their relatives have significant influence	12.78	11.26
Corporate Guarantee given	Subsidiaries	6,431.59	5,533.70
Letter of Comfort	Subsidiaries	2,028.94	-
Remuneration ,Sitting Fees & Commission Payable	Key Management Personnel & Relatives	568.50	617.25
Advance from Customer	Entities where Key Management Personnel and their relatives have significant influence	0.39	5.56
Financial Guarantee Obligation	Subsidiaries	4,766.29	-

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Loan given to related parties are made on terms equivalent to those that prevail in arm's length transactions and have following terms:

- Loans to subsidiaries carries interest and has a tenure of 3 year for the date of loan given.
- Loans to associate carries interest and are convertible to equity at the option of issuer / borrower or repayable on happening of certain event.

The Company has investments, loans, trade receivables and guarantees given with respect to its wholly owned subsidiary viz. Emami International FZE (Emami FZE). During the year, the Company has performed an impairment assessment in connection with the total exposure in Emami FZE by examining its financial position. Based on the assessment performed by the Company, it has impaired its investments aggregating ₹18.98 lacs, recorded liability towards financial guarantee aggregating ₹4,766.29 lacs and provided for doubtful trade receivables aggregating ₹2,015.70 lacs.

3.53 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Company may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

i) Estimation of defined benefit obligations

The liabilities of the Company arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions Refer Note no. 3.36 for significant assumption used.

ii) Estimation of tax expenses, assets and payable

Deferred tax assets are recognised for unused tax credit and on unused losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.53 CRITICAL ESTIMATES AND JUDGEMENTS (Contd.)

Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the company operates. Any difference between the estimates and final tax assessments will impact the income tax as well the resulting assets and liabilities. Refer Note No. 3.22 and 3.46.

iii) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision. Refer Note No. 3.28, 3.38 and 3.41.

iv) Estimation of expected useful lives and residual values of property, plants and equipment and intangible assets.

Property, plant and equipment and intangible assets are depreciated/ amortized at historical cost using straight-line method based on the estimated useful life, taking into account residual value. The asset's residual value and useful life are based on the Company's best estimates and reviewed, and adjusted if required, at each Balance Sheet date. Refer Note No. 3.1, 3.2, 3.3 & 3.4.

v) Impairment of intangible assets

The Company has significant intangible assets arising from the acquisition of brand, trademark, know-how etc. in the normal course of its business. There are indicators that the carrying value of the intangibles may not be recovered through its continuing use and hence, the management has performed impairment testing in accordance with Ind AS 36. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget over the remaining useful life (including terminal value) and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. Recoverability of these assets is based on forecast of projected cash flows over the remaining useful life of underlying intangible assets and their discounted present value (after considering terminal value), which are inherently highly judgmental and is subject to achieving forecasted results. Based on the impairment testing done, the Company believes that no impairment charge is required in this regard.

vi) Impairment of non financial assets / investment in subsidiaries and associates

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The carrying amounts of the Company's non-financial assets / investment in subsidiaries and associates are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates.

vii) Fair Value Measurements

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques which involve various judgements and assumptions that may differ from actual developments in the future. For further details refer Note No. 3.45

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.54 Pursuant to Early Exit Scheme for Kolkata Manufacturing Unit, the Company has paid compensation amounting to ₹325.68 lacs to its temporary workers for the year ended 31st March, 2020.

3.55 The Board of Directors of the Company, at its meeting held on March 19, 2020, approved Buyback of the Company's fully paid-up equity shares of face value of ₹1 each from the eligible equity shareholders of the Company other than promoters, promoter group and persons who are in control of the company, at a price not exceeding ₹300 per equity share (Maximum Buyback price), for an aggregate amount not exceeding ₹19,199.43 lacs (Maximum Buyback size), payable in cash from the open market route through the stock exchange mechanism under the Companies Act, 2013 and Buyback Regulations. The Buyback shall not exceed ₹19,199.43 lacs (Maximum Buyback size) excluding the transaction charges. The Maximum Buyback Size represents 9.99% of aggregate of the Company's paid up equity capital and free reserves based on the audited financial statements of the Company as at March 31, 2019, which is in compliance with the maximum permissible limit of 10% of the total paid up equity share capital and free reserves in accordance with Section 68(2) of Companies Act, 2013.

As of March 31, 2020, the scheme of Buyback was open and the Company bought back 7,54,470 equity shares as resulting in total cash consideration of ₹1,647.53 Lacs (including ₹114.17 lacs towards transaction costs of Buyback and ₹289.13 lacs towards Buyback distribution tax). These equity shares were extinguished in the month of April 2020 as per the records of the depositories. In line with the requirement of Companies Act, 2013, an amount of ₹1,639.99 lacs have been utilised from the securities premium for the Buyback. Further, capital redemption reserve of ₹7.54 lacs, representing the nominal value of shares bought back, has been created in accordance with Section 69 of the Companies Act, 2013. The Buyback commenced on March 27, 2020 and is still in progress. The Company bought back an aggregate of 7,54,470 equity shares, utilizing a total of ₹1,244.23 lacs (excluding transaction costs of Buyback), which represents 6.48% of the maximum Buyback size.

3.56 During the year, one of the step-down subsidiary of the Company "Greenlab Organics Limited" have been dissolved with effect from 07-01-2020.

3.57 The operations of the Company were impacted in the month of March 2020 due to temporary shutdown of all plants following nationwide lockdown announced by the Government of India because of COVID-19 outbreak. The management is monitoring the situation closely and has started its plants in a phased manner from the mid of April. The management has made an initial assessment, based on the current situation, of the likely impact of the lockdown on overall economic environment and FMCG industry, in particular, based on which it expects the demand to stabilise in due course, as driven by measures expected to be taken by the Government; and further, does not anticipate any challenge in meeting its financial obligations. The Company has additionally assessed its property, plant and equipment and intangible assets for impairment as on March 31, 2020. Based on projections, future outlook and carrying value of property, plant and equipment and intangible assets, there is no impairment charge that needs to be recognised. However, the above evaluations are based on analysis carried out by the management and internal and external information available upto the date of approval of these financial statements, which are subject to uncertainties that COVID-19 outbreak might pose on economic recovery. In the prevailing circumstances, the Company does not expect any impact of COVID 19 on its ability to continue as a going concern.

3.58 INFORMATION FOR EARNINGS PER SHARE AS PER IND AS 33

Particulars	As at 31.03.2020	As at 31.03.2019
Net Profit (₹ in Lacs)	28,911.97	30,524.16
Cash Profit (₹ in Lacs)	61,522.27	62,328.44
Weighted average number of shares (in Lac) (Refer Note no. 3.55)	4,539.32	4,539.36
Earnings Per Share - Basic & Diluted (₹)	6.37	6.72
Earnings Per Share - Cash (₹)	13.55	13.73

3.59 The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

Notes to Financial Statements

as at & for the year ended 31st March, 2020

3.60 REVENUE FROM CONTRACTS WITH CUSTOMERS:

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers: ₹ in Lacs

Particulars	2019-2020	2018-19
India	225,452.85	234,376.49
Outside India	13,539.51	14,493.20
Total revenue from contracts with customers	238,992.36	248,869.69

₹ in Lacs

Timing of revenue recognition	2019-2020	2018-2019
Goods transferred at a point in time	238,992.36	248,869.69

Contract balances ₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Trade receivables	18168.67	14225.44
Contract liabilities		
Advance from customers	530.05	1012.30

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract liabilities includes advance from customers received for supply of goods.

Set out below is the amount of revenue recognised from:

₹ in Lacs

Particulars	2019-2020	2018-2019
Amounts included in contract liabilities at the beginning of the year	1,012.30	687.63
Amount received during the year	530.05	1,012.30
Amount adjusted during the year	1,012.30	687.63
Amounts included in contract liabilities at the end of the year	530.05	1,012.30

Performance obligation

Sale of products

The performance obligation is satisfied upon delivery/dispatch of the goods. Sales are made generally after receipt of advance except for certain customers where payment is due within 30 to 90 days from day of sales.

3.61 THE COMPANY HAS MADE A PROVISION OF ₹ 1,930.44 LACS (31.03.2019 - ₹ 1,475.99 LACS) TOWARDS REBATES AND DAMAGE RETURN:

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Balance	1,475.99	-
Provisions made during the year	1,930.44	1,475.99
Payment/reversals during the year	1,475.99	-
Closing Balance	1,930.44	1,475.99

The accompanying notes are an integral part of these standalone Ind AS financial statements.

As per our report of even date

For S. R. BATLIBOI & Co. LLP

Chartered Accountants

Firm Registration no: 301003E/E300005

per Sanjay Kumar Agrawal

Partner

Membership no: 060352

Kolkata

26th June, 2020

For and on behalf of the Board of Directors

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

S K Goenka
Managing Director

N H Bhansali
CEO -Finance,
Strategy and Business
Development & CFO

A K Joshi
Company Secretary
& VP-Legal

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Emami Limited

Report on the Audit of the consolidated Ind AS financial statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Emami Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the Consolidated Balance Sheet as at March 31 2020, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements' section of our report. We are independent of the Group and associates in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants

of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to note 3.62 to the consolidated Ind AS financial statements, which describes the uncertainties and potential impact of the covid-19 pandemic on the Group's operations and results as assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters**How our audit addressed the key audit matter****Non-recognition of Unused Minimum Alternate Tax ("MAT") Credit (as described in note 3.48 of the consolidated Ind AS financial statements)**

As at March 31, 2020, the Holding Company has unused MAT credit balance of INR 28,681.82 lacs which has not been recognized in the books.

Some of the manufacturing facilities of the Holding Company are availing tax benefits under section 80IC / 80IE of Income Tax Act, 1961 as a result of which the Holding Company is paying taxes under MAT to the government basis book profits.

The credit of such taxes paid under MAT shall be allowed to be utilized by the Holding Company in subsequent years when tax becomes payable on the total income in accordance with the normal provisions of the Act.

In order to determine the utilization of such credit in future years, the management has projected its book profits and tax profits; and based on such projections after considering the potential impact of the pandemic, MAT credit has not been recognized.

Significant management judgement is required to determine the forecasted profits, expected future market scenario, economic conditions, tax laws and the management's expansion plans, and these factors impact the timing of utilization of MAT credit.

Accordingly, the non-recognition of MAT credit basis the forecasted profits is determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.

Our audit procedures amongst others included the following:

- Understood the income tax computation process for normal tax and minimum alternate tax and reviewed controls around recognition of MAT credit. Evaluated the design and tested the effectiveness of relevant controls in this regard.
- Reviewed management's assumptions that substantiate the probability that the unused MAT credit will not be recovered through taxable income under normal provision in future years and also assessed the tax planning strategies, budgets and the plans prepared by the management and the relevant tax legislations.
- Assessed the historical accuracy of management's assumptions.
- Evaluated the adequacy of the disclosures made by the Group in this regard in the consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p data-bbox="105 223 664 285"><u>Impairment assessment of intangible assets</u> (as described in note 3.57(v) of the consolidated Ind AS financial statements)</p> <p data-bbox="105 292 664 416">The Holding Company has significant intangible assets arising from the acquisition of brand, trademark, know-how etc. in the normal course of its business.</p> <p data-bbox="105 437 664 783">There are indicators that the carrying value of the intangibles may not be recovered through its continuing use and hence, the management has performed impairment testing in accordance with Ind AS 36. Recoverability of the intangible asset is based on projected cash flows over the remaining useful life of underlying intangible assets and their discounted present value (after considering terminal value), which are inherently highly judgmental and is subject to achieving forecasted results.</p> <p data-bbox="105 803 664 1025">Accordingly, the impairment testing of intangible asset is considered as a key audit matter because the underlying assumptions including any possible impact arising out of the pandemic are highly judgmental and are affected by future market and economic conditions which are inherently uncertain.</p>	<p data-bbox="664 292 1328 354">Our audit procedures amongst others included the following:</p> <ul data-bbox="664 375 1328 866" style="list-style-type: none"> <li data-bbox="664 375 1328 437">• Tested the Holding Company's internal controls around cash flow projections <li data-bbox="664 457 1328 540">• Assessed the adequacy of the Holding Company's valuation methodology applied in determining the recoverable amount <li data-bbox="664 561 1328 783">• Evaluated the assumptions used in projecting cash flows and arriving at discounted cash flows. We also evaluated the adequacy of sensitivity analysis on key assumptions performed by the management after considering possible impact arising out of the pandemic. We involved specialists when performing these procedures. <li data-bbox="664 803 1328 866">• Assessed the relevant disclosures made in the consolidated Ind AS financial statements.
<p data-bbox="105 1025 664 1087"><u>Revenue from sale of goods</u> (as described in note 2.3.c, 3.31 and 3.64 to the consolidated Ind AS financial statements)</p> <p data-bbox="105 1094 664 1508">The Group recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. In determining the sales price, the Group considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues.</p> <p data-bbox="105 1529 664 1715">The risk is, therefore, that revenue is not recognised in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.</p>	<p data-bbox="664 1094 1328 1135">Audit procedures included the following:</p> <ul data-bbox="664 1141 1328 1854" style="list-style-type: none"> <li data-bbox="664 1141 1328 1239">▪ Considered the adequacy of the Group's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. <li data-bbox="664 1245 1328 1342">▪ Assessed the design and tested the operating effectiveness of internal financial controls related to revenue recognition. <li data-bbox="664 1348 1328 1529">▪ Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested that the revenue has been recognized in accordance with Ind AS 115. <li data-bbox="664 1535 1328 1632">▪ Selected sample of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying documents. <li data-bbox="664 1638 1328 1777">▪ Selected samples of rebates and discounts during the year, compared them with the supporting documents and performed re-calculation of those variable considerations as per scheme documents. <li data-bbox="664 1783 1328 1854">▪ Assessed the relevant disclosures made in the consolidated Ind AS financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether

due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of six (6) subsidiaries (direct and stepdown), whose financial statements include total assets of ₹37,972 lacs as at March 31, 2020, total revenues of ₹36,076 lacs and net cash outflows of ₹168 lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹602 lacs for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of two (2) associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of such other auditors.

The aforesaid subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these

conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The accompanying consolidated Ind AS financial statements including unaudited financial statements and other unaudited financial information in respect of five (5) stepdown subsidiaries, whose financial statements and other financial information reflect total assets of ₹693 lacs as at March 31, 2020, total revenues of ₹1,079 and net cash inflows of ₹84 lacs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been approved and furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its associate companies, none of the directors of the Holding Company and its associates incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its associate companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company in accordance with the provisions of section 197 read with Schedule V to the Act. Based on the consideration of reports of other statutory auditors of associates incorporated in India, the provisions of section 197 read with Schedule V of the Act are not applicable to associates incorporated in India for the year ended March 31, 2020;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated

Ind AS financial statements – Refer note 3.29, note 3.41 and note 3.44 to the consolidated Ind AS financial statements;

- ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2020. Based on the consideration of reports of other statutory auditors of the associates there were no amounts which

were required to be transferred to Investor Education and Protection Fund during the year ended March 31, 2020.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**
Partner
Membership Number: 060352
UDIN: 20060352AAAACF3409

Place of Signature: Kolkata

Date: June 26, 2020

Annexure 1 to the Independent Auditor's report of even date on the consolidated Ind AS financial statements of Emami Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Emami Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Emami Limited (hereinafter referred to as the "Holding Company") and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend

on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these consolidated Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its associate companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to its associate companies, which are companies incorporated in India, is based on the corresponding report of the auditors of such associate companies incorporated in India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

UDIN: 20060352AAAACF3409

Place of Signature: Kolkata

Date: June 26, 2020

CONSOLIDATED BALANCE SHEET

as at 31st March, 2020

₹ in Lacs

	Notes	As at 31.03.2020		As at 31.03.2019	
ASSETS					
1. Non-Current Assets					
(a) Property, Plant and Equipment	3.1	76,846.77		74,900.02	
(b) Capital Work-in-Progress	3.1	685.78		3,521.61	
(c) Investment Property	3.2	5,444.93		5,478.18	
(d) Goodwill	3.3	-		408.05	
(e) Other Intangible Assets	3.3	61,908.33		87,220.66	
(f) Right of Use Assets	3.4	1,717.16		-	
(g) Intangible Assets under Development	3.3	119.21		111.67	
(h) Financial Assets					
(i) Investments	3.5				
a) Investment in Associates		2,124.18		1,603.29	
b) Others		6,684.66		16,308.80	
(ii) Loans	3.6	1,173.19		1,424.97	
(iii) Other Financial assets	3.7	3,936.85		2,906.89	
(i) Deferred Tax Assets (Net)	3.8	0.50		384.51	
(j) Non-Current Tax Assets (Net)	3.9	1,348.50		1,259.22	
(k) Other Non-Current Assets	3.10	2,526.30	164,516.36	1,775.90	197,303.77
2. Current Assets					
(a) Inventories	3.11	24,464.74		22,173.19	
(b) Financial Assets					
(i) Investments	3.12	6,832.94		785.64	
(ii) Trade Receivables	3.13	30,800.83		21,635.45	
(iii) Cash and Cash Equivalents	3.14	1,083.94		11,646.58	
(iv) Bank Balance other than (iii) above	3.15	10,821.98		8,693.95	
(v) Loans	3.16	6,634.53		292.66	
(vi) Other Financial Assets	3.17	7,853.76		4,978.18	
(c) Other Current Assets	3.18	14,839.34	103,332.06	14,727.19	84,932.84
TOTAL ASSETS			2,67,848.42		2,82,236.61
EQUITY AND LIABILITIES					
EQUITY					
(a) Equity Share Capital	3.19		4,531.81		4,539.35
(b) Other Equity	3.20		177,843.23		203,066.93
Total Equity attributable to owners of the Company			1,82,375.04		2,07,606.28
(c) Non-Controlling Interest			(86.27)		(20.04)
Total Equity			1,82,288.77		2,07,586.24
LIABILITIES					
1. Non-Current Liabilities					
(a) Financial Liabilities					
(i) Other Financial Liabilities	3.21	1,543.29		689.56	
(b) Provisions	3.22	2,310.20		1,995.33	
(c) Deferred Tax Liabilities (Net)	3.23	346.18		1,603.86	
(d) Other Non-Current Liabilities	3.24	2,155.69	6,355.36	2,367.55	6,656.30
2. Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	3.25	21,023.44		10,986.93	
(ii) Trade Payables	3.26				
Total outstanding dues of Micro & Small Enterprises		2,304.19		303.48	
Total outstanding dues of creditors other than Micro & Small Enterprises		30,141.72		28,832.51	
(iii) Other Financial Liabilities	3.27	5,198.51		13,256.35	
(b) Other Current Liabilities	3.28	4,863.46		2,454.17	
(c) Provisions	3.29	14,548.58		11,532.57	
(d) Current Tax Liabilities	3.30	1,124.39	79,204.29	628.06	67,994.07
TOTAL EQUITY AND LIABILITIES			2,67,848.42		2,82,236.61
Summary of Significant Accounting Policies	2				

The accompanying notes are an integral part of these consolidated Ind AS financial statements

As per our report of even date

For and on behalf of the Board of Directors

For S. R. BATLIBOI & Co. LLP

Chartered Accountants

Firm Registration no: 301003E/E300005

R S Agarwal

Chairman

R S Goenka

Director

S B Ganguly

Director

per Sanjay Kumar Agrawal

Partner

Membership no: 060352

Kolkata

26th June, 2020

S K Goenka

Managing Director

N H Bhansali

CEO -Finance,
Strategy and Business
Development & CFO

A K Joshi

Company Secretary
& VP-Legal

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

for the year ended 31st March, 2020

₹ in Lacs

	Notes	2019-2020	2018-2019
INCOME			
Revenue From Operations	3.31	2,65,488.17	2,69,462.81
Other Income	3.32	5,706.58	3,490.34
Total Income (A)		2,71,194.75	2,72,953.15
EXPENSES			
Cost of Materials Consumed	3.33	74,328.89	77,967.51
Purchases of Stock-in-Trade		14,127.46	15,616.38
(Increase)/ Decrease in Inventories of Finished Goods,	3.34	(846.66)	(1,283.19)
Stock in trade and Work-in-Progress			
Employee Benefits Expense	3.35	29,950.98	27,972.36
Other Expenses	3.37	78,872.49	76,467.62
Total Expenses before Exceptional items, Interest, Depreciation, Amortisation and Tax (B)		1,96,433.16	1,96,740.68
Earnings before Share of loss of Associates, Exceptional Items, Interest, Depreciation, Amortisation and Tax (A-B)		74,761.59	76,212.47
Finance Costs (C)	3.36	2,101.15	2,140.29
Depreciation & Amortisation Expense :	(D)		
a) Amortisation of Intangible Assets	3.3	25,889.85	24,849.66
b) Depreciation of Tangible Assets	3.1 & 3.2	7,346.91	7,681.72
c) Depreciation of Right of Use Assets	3.4	395.96	-
Total Expenses before Exceptional items and Tax (B+C+D)=E		2,32,167.03	2,31,412.35
Share of loss of Associates (F)		(602.00)	(219.50)
Profit Before Exceptional Items and Tax (A-E-F)=G		38,425.72	41,321.30
Exceptional Items (H)	3.59	1,068.38	979.89
Profit Before Tax (G-H)=I		37,357.34	40,341.41
Tax Expense: (J)	3.48		
Current Tax (Including MAT)		7,983.79	9,722.70
Deferred Tax charge/(credit)		(856.81)	365.64
Profit for the year (I-J)=K		30,230.36	30,253.07
Other Comprehensive Income			
A Items that will not be reclassified to Profit or Loss in subsequent periods			
Equity instrument through other comprehensive income		(9,751.78)	(1,565.36)
Remeasurement of the net defined benefit liability/asset		(11.07)	485.63
Income tax relating to items that will not be reclassified to Statement of Profit and Loss		(4.48)	(191.37)
B Items that will be reclassified to Profit or Loss in subsequent periods			
Exchange difference on translation of foreign operations		(333.55)	(239.99)
Total Other Comprehensive Income/(Loss) for the year (net of tax)		(10,100.88)	(1,511.09)
Total Comprehensive Income for the year		20,129.48	28,741.98
Profit attributable to:			
Equityholders of the parent (L)		30,291.42	30,323.02
Non-Controlling Interests		(61.06)	(69.95)
Total Comprehensive Income attributable to:			
Equityholders of the parent		20,195.71	28,818.85
Non-Controlling Interests		(66.23)	(76.87)
Cash Profit (L+D)		63,924.13	62,854.40
Earnings Per Equity Share	3.63		
(1) Basic (Face value of Re. 1 each)		6.67	6.68
(2) Diluted (Face value of Re. 1 each)		6.67	6.68
(3) Cash (Face value of Re. 1 each)		14.08	13.85
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these consolidated Ind AS financial statements

As per our report of even date

For and on behalf of the Board of Directors

For S. R. BATLIBOI & Co. LLP

Chartered Accountants
Firm Registration no: 301003E/E300005R S Agarwal
ChairmanR S Goenka
DirectorS B Ganguly
Director

per Sanjay Kumar Agrawal

Partner
Membership no: 060352
Kolkata
26th June, 2020S K Goenka
Managing DirectorN H Bhansali
CEO -Finance,
Strategy and Business
Development & CFOA K Joshi
Company Secretary
& VP-Legal

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2020

	₹ in Lacs	
	2019-2020	2018-2019
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	37,357.34	40,341.41
Adjustments for :		
(Profit) / Loss on Sale/Fair Value of mutual funds	(1,437.53)	(924.01)
Depreciation and Amortisation Expenses	33,632.72	32,531.38
Finance Costs	2,101.15	2,140.29
Interest income on loans & deposits	(2,832.23)	(1,722.28)
Profit on Sale/Disposal of Property, Plant & Equipments (Net)	(589.18)	(7.15)
Dividend Income from equity investment carried at fair value through OCI	(95.35)	(95.35)
Share of loss of Associates	602.00	219.50
Unrealised Foreign Exchange Gain / Loss	(651.47)	(270.03)
Sundry balances written (back) / off (net)	(93.11)	(15.14)
Loss/(Profit) on fair value of Derivatives	341.87	(160.07)
Provision for doubtful trade receivables	103.13	-
Provision for doubtful receivables	124.69	-
Loss on fair value of Loan at FVTPL	54.75	-
Loss on Impairment of Investment in an Associate	56.50	-
	68,675.28	72,038.55
Adjustments for working capital changes :		
Increase / (Decrease) in Trade Payables and Other Liabilities	3,109.31	4,970.28
(Increase) in Inventories	(2,291.55)	(2,777.71)
(Increase) in Trade Receivables	(9,268.52)	(6,197.39)
(Increase) / (Decrease) in Loans and Advances and Other Financial Assets	(854.23)	694.17
(Increase) in Other Non Financial Assets	(2,017.20)	(5,419.53)
Increase in Provisions	3,319.82	1,337.54
	(8,002.37)	(7,392.64)
CASH GENERATED FROM OPERATIONS	60,672.91	64,645.91
Less : Direct Taxes Paid	7,598.08	9,272.39
NET CASH FLOW FROM OPERATING ACTIVITIES	53,074.83	55,373.52
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from Sale of Property, Plant & Equipment	1,097.56	632.44
Interest Received	936.64	1,650.75
Dividend Received	95.35	95.35
Purchases of Investments	(1,80,553.85)	(84,878.34)
Sale of Investments	1,74,875.92	96,857.75
Short term loans given (net)	(6,000.00)	-
Purchase of Property, Plant & Equipment & Intangible Assets	(15,907.79)	(13,921.74)
Investment in Associates	(200.00)	(250.00)
Investment in Preference Shares	-	(200.00)
Fixed Deposits made	(182.36)	(3,333.66)
Proceeds from maturity of Fixed Deposit	3,070.01	1,008.02
NET CASH USED IN INVESTING ACTIVITIES	(22,768.52)	(2,339.43)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2020

	₹ in Lacs	
	2019-2020	2018-2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(6,142.00)	(29,919.58)
Buy Back of Shares including transaction costs	(1,245.95)	-
Proceeds from Short Term Borrowings from Banks	7877.61	8,028.31
Transfer to Escrow Account for Buyback of shares	(5,003.60)	-
Interest Paid	(2,074.11)	(2,140.27)
Dividend Paid	(36,314.81)	(15,887.73)
Corporate Dividend Tax paid	(5,598.08)	(3,133.66)
Payment Of Principal Portion Of Lease Liabilites	(335.48)	-
Cash Credit taken / (repaid) (net)	8300.90	286.77
NET CASH USED IN FINANCING ACTIVITIES	(40,535.52)	(42,766.16)
D. Effect of Foreign Exchange Fluctuation	(333.43)	(239.99)
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)	(10,562.64)	10,027.94
Add- CASH & CASH EQUIVALENTS-OPENING BALANCE	11,646.58	1,618.64
CASH & CASH EQUIVALENTS-CLOSING BALANCE	1,083.94	11,646.58
Cash & Cash Equivalents includes:		
Balances with banks	923.94	4,186.43
Fixed Deposits with Banks(Original Maturity of less than 3 Months)	-	7,114.15
Cheque-in-hand	141.50	329.36
Cash on hand	18.50	16.64
Total Cash & Cash Equivalents (Refer Note No : 3.14)	1083.94	11,646.58

The accompanying notes are an integral part of these consolidated Ind AS financial statements

As per our report of even date

For and on behalf of the Board of Directors

For S. R. BATLIBOI & Co. LLP

Chartered Accountants

Firm Registration no: 301003E/E300005

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

per Sanjay Kumar Agrawal

Partner

Membership no: 060352

Kolkata

26th June, 2020

S K Goenka
Managing Director

N H Bhansali
CEO -Finance,
Strategy and Business
Development & CFO

A K Joshi
Company Secretary
& VP-Legal

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at and for the year ended 31st March, 2020

₹ in Lacs

Particulars	OTHER EQUITY								Total Equity attributable to equity holders of the parent	Non-Controlling Interests (NCI)*
	Reserve & Surplus					Other Comprehensive Income				
	Equity Share Capital	Capital Reserve	Securities Premium	Retained Earnings	General Reserve	Capital Redemption Reserve	Investment in Equity shares at Fair value through Other Comprehensive Income	Foreign Currency Translation Reserve		
Balance as at 1.04.2018	2,269.68	79.64	33,205.16	63,077.24	87,500.00	-	14,987.48	241.59	201,360.79	56.83
Profit for the Year	-	-	-	30,323.02	-	-	-	-	30,323.02	(69.95)
Other Comprehensive Income										
Foreign Currency Translation Reserve	-	-	-	-	-	-	-	(233.07)	(233.07)	(6.92)
Fair value loss on Equity instrument through other comprehensive income	-	-	-	-	-	-	(1,565.36)	-	(1,565.36)	-
Remeasurement of the net defined benefit liability/ asset	-	-	-	485.63	-	-	-	-	485.63	-
Income Tax Effect	-	-	-	(191.37)	-	-	-	-	(191.37)	-
Total Comprehensive Income	-	-	-	30,617.28	-	-	(1,565.36)	(233.07)	28,818.84	(76.87)
Effect of Adoption of new accounting standard i.e Ind AS 115	-	-	-	(4,076.82)	-	-	-	-	(4,076.82)	-
Income Tax Effect	-	-	-	524.85	-	-	-	-	524.85	-
Dividend Paid#	-	-	-	(15,887.73)	-	-	-	-	(15,887.73)	-
Corporate Dividend Tax#	-	-	-	(3,133.66)	-	-	-	-	(3,133.66)	-
Issue of Bonus Shares	2,269.67	-	(2,269.67)	-	-	-	-	-	-	-
Balance as at 31.03.2019	4,539.35	79.64	30,935.49	71,121.16	87,500.00	-	13,422.12	8.52	2,07,606.28	(20.04)
Balance as at 1.04.2019	4,539.35	79.64	30,935.49	71,121.16	87,500.00	-	13,422.12	8.52	2,07,606.28	(20.04)
Profit for the Year	-	-	-	30,291.42	-	-	-	-	30,291.42	(61.06)
Other Comprehensive Income										
Foreign Currency Translation Reserve	-	-	-	-	-	-	-	(328.38)	(328.38)	(5.17)
Fair value loss on Equity instrument through other comprehensive income	-	-	-	-	-	-	(9,751.78)	-	(9,751.78)	-
Remeasurement of the net defined benefit liability/ asset	-	-	-	(11.07)	-	-	-	-	(11.07)	-
Income Tax Effect	-	-	-	(4.48)	-	-	-	-	(4.48)	-
Total Comprehensive Income	-	-	-	30,275.87	-	-	(9,751.78)	(328.38)	20,195.71	(66.23)
Final Dividend Paid#	-	-	-	(18,157.41)	-	-	-	-	(18,157.41)	-
Interim Dividend Paid#	-	-	-	(18,157.40)	-	-	-	-	(18,157.40)	-
Corporate Dividend Tax#	-	-	-	(7,464.61)	-	-	-	-	(7,464.61)	-
Amount transferred to Capital redemption reserve upon Buyback of Equity Shares @	-	-	-	-	(7.54)	7.54	-	-	-	-
Buy back of shares@	(7.54)	-	(1,236.69)	-	-	-	-	-	(1,244.23)	-
Buyback distribution tax @	-	-	(289.13)	-	-	-	-	-	(289.13)	-
Transaction cost towards Buyback of Equity Shares @	-	-	(114.17)	-	-	-	-	-	(114.17)	-
Balance as at 31.03.2020	4,531.81	79.64	29,295.50	57,617.61	87,492.46	7.54	3,670.34	(319.86)	1,82,375.04	(86.27)

Refer Note No : 3.49

@ Refer Note No : 3.60

Refer Note no 3.20 for nature & purposes of reserve

Accompanying notes are an integral part of these consolidated Ind AS financial statements

As per our report of even date

For and on behalf of the Board of Directors

For S. R. BATLIBOI & Co. LLP

Chartered Accountants

Firm Registration no: 301003E/E300005

R S Agarwal

Chairman

R S Goenka

Director

S B Ganguly

Director

per Sanjay Kumar Agrawal

Partner

Membership no: 060352

Kolkata

26th June, 2020

S K Goenka

Managing Director

N H Bhansali

CEO -Finance,
Strategy and Business
Development & CFO

A K Joshi

Company Secretary
& VP-Legal

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

1. Company Overview

The consolidated Ind AS financial statements comprise financial statements of Emami Limited (the Company) and its subsidiaries (collectively, the Group) and associates for the year ended March 31, 2020. The Company is one of India's leading FMCG Companies engaged in manufacturing & marketing of personal care & healthcare products with an enviable portfolio of household brand names such as BoroPlus, Navratna, Fair and Handsome, Zandu Balm, Kesh King, Zandu Pancharishta, Mentho Plus Balm and others.

The Company is a public limited company domiciled in India and is primarily listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is located at 687, Anandapur, E.M. Bypass, Kolkata, West Bengal.

2.1. Basis of Preparation

The consolidated Ind AS financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013. These Consolidated Ind AS financial statements are prepared under the historical cost convention on the accrual basis except for following assets and liabilities which have been measured at fair value or revalued amount :

- a) Derivative financial instruments
- b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- c) Defined benefit plans – plan assets

The consolidated Ind AS financial statements were approved for issue in accordance with the resolution of the Board of Directors on 26th June, 2020.

2.2. Basis of Consolidation

The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries and associates as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- b) Exposure, or rights, to variable returns from its involvement with the investee, and
- c) The ability to use its power over the investee to affect its returns.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated Ind AS financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated Ind AS financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated Ind AS financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated Ind AS financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit and Loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2.3. Summary of Significant Accounting Policies

a. Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in Profit and Loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

b. Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence is similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of Profit and Loss of an associate is shown on the face of the Statement of Profit and Loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the Statement of Profit and Loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in Profit and Loss.

c. Revenue Recognition

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in

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exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, outgoing sales taxes including goods and service tax. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Products

Revenue from sale of products is recognized when the Group transfers the control of goods to the customer as per the terms of contract. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the Group believes that the control gets transferred to the customer on dispatch of the goods from the factory/depot and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms.

Volume rebates

Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them. To estimate the variable consideration for the expected future rebates, the Group applies the expected value method or most likely method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates of variable consideration and recognises a liability for the expected future rebates.

Rights of return

Certain contracts provide a customer with a right to return the damaged goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Group recognises a provision for damage return and net it from revenue.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Advance from customers

Advance from customer is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. Advance from customer is recognised as revenue when the Group performs under the contract.

Provision for rebates and damage return

Provision for rebates and damage return is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of Provision for rebates and damage return (and the corresponding change in the transaction price) at the end of each reporting period.

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d. Property, Plant & Equipment

Capital work in progress, plant and equipment are stated at acquisition cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation in respect of Holding Company is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013, except certain items of building and plant & machinery as detailed in next paragraph. The estimated useful lives are as follows:

Factory Building	30 Years
Non-factory Buildings (including Roads)	5 - 60 Years
Plant & Machinery*	10-15 Years
Furniture & Fixtures	10 Years
Office Equipment	3-5 Years
Vehicles	8 Years

Freehold land is not depreciated.

*Block, Dies & Moulds (other than High-End Moulds) are depreciated @100% on prorata basis.

The Holding Company, based on assessment made by technical expert and management estimate, depreciates certain items of building and plant and equipment over 20 years and 3 - 10 years respectively. These estimated useful lives are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation in respect of a subsidiary is calculated based on reducing balance method. The principal rates are as follows:

Factory Building	20%
Computer and accessories	20%
Plant & Machineries	20%
Furniture & Fixtures	10%
Electrical Equipment	20%
Vehicle	20%
Block and dice	30%

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date is classified as 'Capital Advances' under 'Other Non-Current Assets'.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The cost and related accumulated depreciation are eliminated from the financial statements upon derecognition and the resultant gains or losses are recognized in the Statement of Profit & Loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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e. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit & Loss as incurred.

The Group depreciates building component of investment property on the straight line method over the estimated useful life of 60 years from the date of original purchase and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed internally by the Group.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Statement of Profit and Loss in the period of derecognition.

f. Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Intangible Assets acquired in a business combination is valued at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. The amortisation expense on Intangible Assets with finite lives is recognised in the Statement of Profit & Loss. The Group amortises intangible assets over their estimated useful lives using the straight line method.

The estimated useful lives of assets are as follows:

Softwares & Licences (Acquired)	6 Years
Brand & Trademarks (Acquired)	5 - 10 Years
Copy Rights (Acquired)	5 - 10 Years

Intangible Assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit & Loss when the asset is derecognised.

g. Research & Development Cost

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

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- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually.

h. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- i) Raw materials, Packing materials and Stores & Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average method.
- ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on moving weighted average method.
- iii) Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

j. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Profit and Loss.

Equity investments

All equity investments (excluding investments in associates) in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value Through Profit and Loss (FVTPL). For all other equity instruments, the Group makes an irrevocable election to present in Other Comprehensive Income (OCI) subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. These equity shares are designated as FVTOCI as they are not held for trading and disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding.

If the Group decides to classify an equity instrument as at Fair Value Through OCI (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Investment in mutual funds / alternate investment funds

Investment in mutual funds / alternate investment funds falls within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derivative Instruments

Derivative Instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income'/'Other Expenses'.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- i) The rights to receive cash flows from the asset have expired, or

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- ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Income recognition

Interest Income- Interest income from debt instruments is recognised using the effective interest rate method (EIR). The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend - Dividend is recognised in Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables' in these financial statements)

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or Contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' (or 'other income') in the Statement of Profit and Loss.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Profit and Loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

k. Fair value measurement

The Group measures financial instruments, such as, equity instruments and derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

l. Cash & Cash Equivalents

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

m. Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April 2019. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). The impact of adoption of Ind-AS 116 on the financial statements of the Company has been described under Note 3.5

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land & Building 2 to 10 years

Leasehold Land is amortised over the period of lease ranging from 30 to 99 years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they

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are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Other Financial Liabilities.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit and Loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

o. Employee Benefits

Defined Contribution Plan

The Group makes contributions towards provident fund and superannuation fund to the regulatory authorities in a defined contribution retirement benefit plan for qualifying employees, where the Group has no further obligations. Both the employees and the Group make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

In Vapi, Dongari and Masat Units, the superannuation fund is administered by the Life Insurance Corporation of India (LIC).

Defined Benefit Plan

i) In respect of certain employees, provident fund contributions are made to a Trust administered by the Group. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Group is additionally provided for.

ii) The Group operates a defined benefit gratuity plan in India, comprising of Gratuity fund with Life Insurance Corporation of India. The Group's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits.

The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other

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comprehensive income and are not reclassified to Profit and Loss in subsequent periods. The effect of any plan amendments are recognized in the Statement of Profit and Loss.

The Group recognises the changes in the net defined benefit obligation like service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss.

Other Long Term Employee Benefits

The Group treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the Projected Unit Credit Method at the end of each financial year. This benefit is not funded except in Vapi, Dongari and Masat units, where the Leave Fund is with Life Insurance Corporation of India. The Group presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Group has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

p. Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities (DTL) are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit and Loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit and Loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and Deferred tax relating to items recognised outside Profit and Loss is recognised outside Profit and Loss (either in other comprehensive income or in equity). Current and Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Certain units of the Group are entitled to tax holiday under the Income-tax Act, 1961 enacted in India. Accordingly, no deferred tax (asset or liability) relating to such units is recognized in respect of temporary differences which reverse during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Appendix did not have a significant impact on the consolidated financial statements of the Group.

q. Foreign Currency Transactions & Translations

Functional and presentation currency

The consolidated financial statements are presented in INR, the functional currency of the Group. Items included in the financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').

Transaction and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the

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gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

r. Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

s. Government Grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the Statement of Profit and Loss.

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Group and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

t. Earnings per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Cash earnings per share, a non GAAP measure is calculated by dividing cash profit for the period attributable to the equity shareholders by the weighted average number of shares outstanding during the period. Cash profit is calculated by adding depreciation and amortisation expenses to the profits attributable to the equity holders of the Parent.

u. Current and non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) expected to be realised or intended to be sold or consumed in the normal operating cycle,
- b) held primarily for the purpose of trading,
- c) expected to be realised within twelve months after the reporting period, or

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- d) cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) it is expected to be settled in the normal operating cycle,
- b) it is due to be settled within twelve months after the reporting period, or
- c) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

v. **Standards issued not yet effective:**

There are no standards issued but not yet effective up to the date of issuance of the Company's financial statements.

w. **Dividend:**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

x. **Measurement of EBITDA**

The Group presents Earnings before Interest expense, Tax, Depreciation and Amortisation (EBITDA) in the Statement of Profit and Loss; this is not specifically required by Ind AS 1. The terms EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the Group's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Accordingly, the Group has elected to present earnings before interest expense, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Group measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, finance costs, share of profit/loss from associate and tax expense, but includes other income.

y. **Rounding of amounts**

All amounts disclosed in the consolidated financial Statements and notes have been rounded off to the nearest Lacs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.1 PROPERTY PLANT & EQUIPMENT (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block				As at 31.3.2020	Depreciation & Amortisation				Net Block		
	As at 14.2019	Additions	Disposals/ Adjustments	Exchange Fluctuation on Consolidation		As at 14.2019	For the year	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	As at 31.3.2020	As at 31.3.2020	As at 31.03.2019
Land												
Leasehold	334.63	-	(334.63)	-	-	20.12	-	(20.12)	-	-	-	314.51
Freehold	5,695.03	110.96	(145.71)	9.67	5,669.95	-	-	-	-	-	5,669.95	5,695.03
Building (including roads)*	32,366.49	3,368.02	(106.02)	130.68	35,759.17	3,428.41	1,239.20	(13.84)	70.57	4,724.34	31,034.83	28,938.08
Plant & Equipment	50,934.57	5,526.85	(435.06)	137.41	56,163.77	15,633.18	4,953.01	(187.62)	82.44	20,481.01	35,682.76	35,301.38
Furniture & Fixture	2,319.06	236.05	(7.81)	14.27	2,561.57	707.81	353.39	(6.03)	5.08	1,060.25	1,501.32	1,611.25
Office Equipment	3,265.67	317.60	(19.71)	23.54	3,587.10	1,318.26	388.88	(13.13)	11.51	1,705.52	1,881.58	1,947.41
Computer	1,021.40	188.30	(48.33)	15.28	1,176.65	780.88	147.84	(18.93)	(16.01)	893.78	282.87	240.52
Motor Vehicles	1,301.05	98.81	(25.52)	7.64	1,381.98	449.22	155.29	(19.86)	3.87	588.52	793.46	851.84
Property, Plant and Equipment Total	97,237.90	9,846.59	(1,122.79)	338.49	1,06,300.19	22,337.88	7,237.61	(279.53)	157.46	29,453.42	76,846.77	74,900.02
Capital Work- In-Progress	3,521.61	721.11	(3,556.94)	-	685.78	-	-	-	-	-	685.78	3,521.61
Total	1,00,759.51	10,567.70	(4,679.73)	338.49	1,06,985.97	22,337.88	7,237.61	(279.53)	157.46	29,453.42	77,532.55	78,421.63

*Transfer includes ₹ 5.25 Lacs (accumulated depreciation ₹ 0.09 Lacs) transferred from Investment property.

#Transfer includes ₹ 334.63 Lacs (accumulated depreciation ₹ 20.12 Lacs) reclassified to Right of Use Assets on account of adoption of IND AS 116 (refer note 3.50)

Title deeds of immovable properties set out above, where applicable, are in the name of the Company except as set out below

Asset Class	Gross Block		Net Block		No. of cases	
	As at 31.3.2020	As at 31.3.2019	As at 31.3.2020	As at 31.3.2019	As at 31.3.2020	As at 31.3.2019
Building	-	410.06	-	403.94	-	4
Freehold Land	16.35	140.82	16.35	140.82	2	5
Grand Total	16.35	550.88	16.35	544.76	2	9

Management is in the process of getting the above properties transferred in the name of the Company.

3.2 INVESTMENT PROPERTY (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block				As at 31.3.2020	Depreciation				Net Block		
	As at 14.2019	Additions	Disposals/ Adjustments	Exchange Fluctuation on Consolidation		As at 14.2019	For the year	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	As at 31.3.2020	As at 31.3.2020	As at 31.03.2019
Building*	6,168.94	-	(5.25)	92.25	6,255.94	690.76	109.30	(0.09)	11.05	811.01	5,444.93	5,478.18
Total	6,168.94	-	(5.25)	92.25	6,255.94	690.76	109.30	(0.09)	11.05	811.01	5,444.93	5,478.18

*Transfer includes ₹ 5.25 Lacs (accumulated depreciation ₹ 0.09 Lacs) transferred to Property, Plant & Equipment.

Refer Note No 3.45 for disclosure of fair value of investment property.

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as at & for the year ended 31st March, 2020

3.3 INTANGIBLE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block				As at 31.3.2020	Amortisation				Net Block		
	As at 14.2019	Additions	Disposals/ Transfer	Exchange Fluctuation on Consolidation		As at 14.2019	For the year	Disposals/ Transfer/ Impairment*	Exchange Fluctuation on Consolidation	As at 31.3.2020	As at 31.3.2020	As at 31.3.2019
Goodwill	1,458.05	-	-	-	1,458.05	1,050.00	408.05	-	-	1,458.05	-	408.05
Other Intangible Assets												
Computer Software	3,140.26	204.90	-	0.22	3,345.38	1,546.94	391.34	-	0.04	1,938.32	1,407.06	1,593.32
Brands , Trade Marks & etc.	1,58,951.09	69.98	-	(11.64)	1,59,009.43	78,275.32	20,945.23	101.97	(8.04)	99,314.50	59,694.93	80,675.77
Copy Rights	20,720.00	-	-	-	20,720.00	15,768.43	4,145.23	-	-	19,913.66	806.34	4,951.57
Other Intangible Assets Total	1,82,811.35	274.88	-	(11.42)	1,83,074.81	95,590.69	25,481.80	101.97	(7.98)	1,21,166.48	61,908.33	87,220.66
Intangible Assets under Development	111.67	228.93	(221.39)	-	119.21	-	-	-	-	-	119.21	111.67
Grand Total	1,84,381.07	503.81	(221.39)	(11.42)	1,84,652.07	96,640.69	25,889.85	101.97	(7.98)	1,22,624.53	62,027.54	87,740.38

*This represent impairment of intangible asset related to subsidiaries due to shut down of operation (Refer Note 3.59)

3.4. RIGHT OF USE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Land	Buildings	Total
At 1st April 2019	-	695.85	695.85
Reclassified on account of Ind AS 116	314.51	-	314.51
Additions	-	1,108.94	1,108.94
At 31st March 2020	314.51	1,804.79	2,119.30
Depreciation as at 1st April 2019			
Charge for the year	5.33	390.63	395.96
Exchange Fluctuation on Consolidation	-	6.18	6.18
At 31st March 2020	5.33	396.81	402.14
Net Book Value			
At 31st March 2020	309.18	1,407.98	1,717.16

Refer Note No.3.50 for the related disclosures.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.1 PROPERTY PLANT & EQUIPMENT (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block			
	As at 14.2018	Additions	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	As at 31.3.2019	As at 14.2018	For the year	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	As at 31.3.2019	As at 31.3.2019	As at 31.03.2018
Land												
Leasehold	330.95	-	-	3.68	334.63	14.79	5.33	-	-	20.12	314.51	316.16
Freehold	4,926.59	768.44	-	-	5,695.03	-	-	-	-	-	5,695.03	4,926.59
Building (including roads)*	30,762.60	1,982.35	(454.91)	76.45	32,366.49	2,357.71	1,092.11	(50.09)	28.68	3,428.41	28,938.08	28,404.89
Plant & Equipment	47,167.62	4,473.34	(785.80)	79.41	50,934.57	10,738.81	5,379.19	(515.20)	30.38	15,633.18	35,301.39	36,428.81
Furniture & Fixture	2,040.65	302.91	(32.20)	7.70	2,319.06	445.11	277.85	(18.19)	3.04	707.81	1,611.25	1,595.54
Office Equipment	2,716.92	554.46	(19.68)	13.97	3,265.67	996.61	327.41	(10.39)	4.63	1,318.26	1,947.41	1,720.31
Computer	931.23	85.56	(3.24)	7.85	1,021.40	604.75	173.93	(1.77)	3.97	780.88	240.52	326.48
Motor Vehicles	1,085.06	292.81	(81.48)	4.66	1,301.05	344.91	157.18	(54.24)	1.37	449.22	851.83	740.14
Property, Plant and Equipment Total	89,961.62	8,459.87	(1,377.31)	193.72	97,237.90	15,502.69	7,413.00	(649.88)	72.07	22,337.88	74,900.02	74,458.93
Capital Work- In-Progress	2,257.70	2,569.09	(1,307.40)	2.22	3,521.61	-	-	-	-	-	3,521.61	2,257.70
TOTAL	92,219.32	11,028.96	(2,684.71)	195.94	1,00,759.51	15,502.69	7,413.00	(649.88)	72.07	22,337.88	78,421.63	76,716.63

3.2 INVESTMENT PROPERTY (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block			
	As at 14.2018	Additions	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2019	As at 14.2018	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2019	As at 31.3.2019	As at 31.3.2018
Building*	6,000.29	-	107.38	61.27	6,168.94	411.34	268.72	5.25	5.45	690.76	5,478.18	5,588.95
Total	6,000.29	-	107.38	61.27	6,168.94	411.34	268.72	5.25	5.45	690.76	5,478.18	5,588.95

*Transfer includes ₹ 107.38 Lacs (accumulated depreciation ₹ 5.25 Lacs) transferred from Property, Plant & Equipment.

Refer Note No 3.45 for disclosure of fair value of investment property.

3.3 INTANGIBLE ASSETS (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block				Amortisation				Net Block			
	As at 14.2018	Additions	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2019	As at 14.2018	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2019	As at 31.3.2019	As at 31.3.2018
Goodwill	1,458.05	-	-	-	1,458.05	1,050.00	-	-	-	1,050.00	408.05	-
Other Intangible Assets												
Computer Software	1,518.81	1,621.47	-	(0.02)	3,140.26	899.31	647.63	-	-	1,546.94	1,593.32	619.50
Brands, Trade Marks & etc.	148,251.19	10,702.53	-	(2.63)	158,951.09	58,217.73	20,056.80	-	0.79	78,275.32	80,675.77	90,033.46
Copy Rights	20,720.00	-	-	-	20,720.00	11,623.20	4,145.23	-	-	15,768.43	4,951.57	9,096.80
Other Intangible Assets Total	1,70,490.00	12,324.00	-	(2.65)	1,82,811.35	70,740.24	24,849.66	-	0.79	95,590.69	87,220.66	99,749.76
Intangible Assets under Development	789.52	454.09	(1,131.94)	-	111.67	-	-	-	-	-	111.67	789.52
Grand Total	1,72,737.57	12,778.09	(1,131.94)	(2.65)	1,84,381.07	71,790.24	24,849.66	-	0.79	96,640.69	87,740.38	1,00,539.28

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3.5 INVESTMENTS

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
Non current		
Investments carried at amount determined using equity method of accounting (Unquoted, fully paid, unless otherwise stated)		
Equity shares		
In Associates		
Helios Lifestyle Private Limited 72,261 (31.03.2019- 72,261) Equity Shares of ₹ 10 each [net of share of loss during the year amounting to ₹ 488.61 lacs (31.03.2019 - ₹ 219.50 lacs)]	1,114.68	1,603.29
Brillare Science Private Limited { Refer note (b) below } 2,27,973 Equity shares of ₹ 10 each [net of share of loss during the year amounting to ₹ 113 lacs (31.03.2019 - Nil)] {net of impairment of ₹ 56.50 lacs (31.03.2019 - Nil)}	1,009.50	-
(a)	2,124.18	1,603.29
Investments carried at amortised cost (Unquoted)		
Government & Trust Securities		
6 Years' National Savings Certificate (Lodged With Government Authority)	0.24	0.24
(i)	0.24	0.24
Investments carried at FVTPL (Unquoted,fully paid)		
Equity Shares		
Brillare Science Private Limited { Refer note (b) below } Nil (31.03.2019 - 100) Equity shares of ₹ 10 each	-	0.70
Preference Shares		
Brillare Science Private Limited { Refer note (b) below } Nil (31.03.2019 - 1,42,383) shares of ₹ 10 each	-	978.30
Units of Alternate Investment Fund		
Fireside Ventures Investment Fund - I 1,307.2 (31.03.2019 - 1,105) Units of ₹ 1,00,000 each	2,343.14	1,274.98
(ii)	2,343.14	2,253.98
Investments Carried at FVTOCI		
Equity Shares (Quoted, fully Paid)		
Emami Paper Mills Limited 79,46,000 (31.03.2018 - 79,46,000) Equity Shares of ₹ 2 each	3,933.27	13,667.13
Securities (Unquoted, fully Paid)		
LOLI Beauty Inc. 12,28,261 (31.03.2019 - 12,28,261) Securities	408.01	387.45
(iii)	4,341.28	14,054.58
(b) = (i) + (ii) + (iii)	6,684.66	16,308.80
Total (a) + (b)	8,808.84	17,912.09
Aggregate Amount of Quoted Investments & Market Value thereof	3,933.27	13,667.13
Aggregate Amount of Unquoted Investments	4,875.57	4,244.96
Aggregate Amount of impairment in value of Investment	56.50	-

Notes -

(a) Refer Note No 3.47 for determination of fair value

(b) During the current year, 1,42,383 preference shares of Brillare Science Private Limited have been converted into 1,89,878 Equity shares & 37,995 Equity shares were further purchased and therefore Brillare Science Private Limited has become an associate of the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.6 LOANS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
At Amortised Cost		
Unsecured, Considered Good		
Security Deposits to Related Parties (Refer Note No 3.55)	31.55	31.75
Security Deposits to Others	539.71	580.58
Loans to Related Parties (Refer Note No 3.55)	150.00	-
Loans to Employees	106.68	58.34
Loans to Others	-	754.30
At FVTPL		
Loans to Related Parties (Refer Note No 3.55)	345.25	-
Total	1,173.19	1,424.97

3.7 OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2020		As at 31.03.2019	
At amortised cost				
Unsecured, Considered Good unless otherwise stated				
Incentive Receivable *	3,264.52		3,020.87	
Less: Provision for Doubtful Receivables	(178.67)	3,085.85	(113.98)	2,906.89
Other Receivables **	911.00		-	
Less: Provision for Doubtful Receivables	(60.00)	851.00	-	-
Total		3,936.85		2,906.89

* It include Capital & Other Subsidies etc.

** Comprise of advances given to supplier in earlier years, now refundable.

3.8 DEFERRED TAX ASSETS (NET)

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liabilities		
Tax impact arising out of temporary differences in depreciable assets	(1.31)	-
Deferred Tax Assets		
Tax impact of expenses allowable against taxable income in future years	1.81	384.51
Total	0.50	384.51

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.9 NON-CURRENT TAX ASSETS (NET)

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Advance Income Tax (Net of Provision)	1,348.50	1,259.22
Total	1,348.50	1,259.22

3.10 OTHER NON- CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, Considered Good unless otherwise stated		
Capital Advances	1,845.66	1,305.42
Deposits with Government Authorities	411.89	441.69
Prepaid Expenses	268.75	28.79
Total	2,526.30	1,775.90

3.11 INVENTORIES

₹ in Lacs

Particulars	As at 31.03.2020		As at 31.03.2019	
(At lower of cost and net realisable value)				
Raw materials and Packing materials				
Raw Materials	5,751.28		5,230.26	
Packing Materials	3,927.27	9,678.55	3,061.63	8,291.89
Work-in-Progress		407.98		411.41
Finished Goods		10,675.52		9,115.76
Stock-in-Trade		2,848.10		3,557.77
Stores and Spares		854.59		796.36
Total		24,464.74		22,173.19

(a) During the year ended 31st March 2020, ₹ 43.71 lacs (31st March 2019: ₹ 102.86 lacs) was recognised as an expense for inventories carried at net realisable value.

(b) Above includes Inventories in Transit:

Raw Materials : ₹ 715.58 lacs (31.03.2019 : ₹ 795.43 lacs)

Packing Materials : ₹ 78.45 lacs (31.03.2019 : ₹ 31.10 lacs)

Finished Goods : ₹ 163.72 lacs (31.03.2019 : ₹ 98.74 lacs)

(c) Refer Note No 3.25 for information on inventories pledged as security

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.12 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Current		
Investments carried at FVTPL (Unquoted)		
Units of Mutual Fund		
HDFC Floating Rate Debt - Direct Plan - Wholesale Growth	-	785.64
Option		
Nil (31.03.2019-24,02,320) Units of ₹10 each		
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	3,012.04	-
9,42,561 (31.03.2019 - Nil) Units of ₹100 each		
Axis Liquid Fund - Direct- Growth	301.77	-
13,690 (31.03.2019 - Nil) Units of ₹1,000 each		
Nippon India Floating Rate Fund - Direct Growth Plan	1,016.75	-
30,92,127 (31.03.2019 - Nil) Units of ₹10 each		
PGIM India Insta Cash Fund - Direct Plan Growth	2,000.88	-
7,74,556 (31.03.2019 - Nil) Units of ₹100 each		
PGIM India Money Market Fund - Direct Plan Growth	501.50	-
50,000 (31.03.2019 - Nil) Units of ₹1,000 each		
Total	6,832.94	785.64
Aggregate Amount of Unquoted Investments	6,832.94	785.64

3.13 TRADE RECEIVABLES

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
At Amortised cost		
Secured		
Considered Good	6,415.93	44.39
Unsecured		
Considered Good	24,384.90	21,591.06
Considered Doubtful	103.46	-
Subtotal	30,904.29	21,635.45
less : Allowance for doubtful trade receivables	103.46	-
Total	30,800.83	21,635.45

- (a) Refer Note No 3.25 for information on receivables secured against borrowings
- (b) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (c) Refer note no 3.55 for information on receivables from related parties.
- (d) Refer Note no 3.52 for credit risk and market risk

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.14 CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2020		As at 31.03.2019	
Cash and Cash Equivalents				
Balances with banks	923.94		4186.43	
Fixed Deposits with banks (Original Maturity of less than 3 Months)	-		7,114.15	
Cheque-in-hand	141.50		329.36	
Cash on hand	18.50	1,083.94	16.64	11,646.58
Total		1,083.94		11,646.58

Changes in liabilities arising from financing activities

Particulars	1st April 2019	Cash Flow	On Account of Ind AS 116	31st March
				2020
Current borrowings (excluding items listed below)	10,986.93	10,036.51	-	21,023.44
Current Lease Liabilities	-	(335.48)	969.73	634.25
Non-Current Lease Liabilities	-	-	830.55	830.55
Total	10,986.93	9,701.03	1,800.28	22,488.24

Particulars	1st April 2018	Cash Flow	On Account of Ind AS 116	31st March
				2019
Current borrowings	32,591.43	(21,604.50)	-	10,986.93
Total	32,591.43	(21,604.50)	-	10,986.93

3.15 OTHER BANK BALANCES

Particulars	As at 31.03.2020		As at 31.03.2019	
At Amortised cost				
Other Bank Balances				
Unpaid Dividend Account #	187.13		175.05	
Balance in Escrow account ##	5,003.60		-	
Deposits with Original maturity of more than 3 months but less than 12 months *	5,631.25	10,821.98	8,518.90	8,693.95
Total		10,821.98		8,693.95

Earmarked for payment of Unclaimed Dividend.

The Company has deposited an amount equivalent to 25% of the maximum Buyback size in the escrow account which includes ₹ 480 lacs i.e. 2.5% of total buyback amount is kept as deposit.

* Includes deposits amounting to ₹182.36 lacs (31.03.2019 : ₹ 58.17 lacs) under lien.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.16 LOANS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
At amortised cost		
Unsecured, considered good		
Loans to Employees	359.15	292.66
Loans to Others (Refer Note No 3.56)	6,000.00	-
Deposits *	275.38	-
Total	6,634.53	292.66

* amount held as margin money with the broker for buyback of shares.

3.17 OTHER FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
At amortised cost		
Unsecured, considered good		
Interest Receivable on Deposits	2,047.88	152.29
Other Receivable		
- from related parties (Refer Note No 3.55)	317.16	57.50
- from others	133.30	181.15
Incentive Receivable*	5,325.93	4,215.88
At FVTPL		
Derivative assets - Forward & Option #	29.49	371.36
Total	7,853.76	4,978.18

* It include Subsidy, Export Incentives, GST Refund etc.

Refer Note No. 3.47 for determination of fair value

3.18 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, considered good		
Advances other than Capital Advances		
- For goods and services	5,963.80	6,859.48
- To employees	227.54	178.80
Balances with Government Authorities	6,792.16	7,110.53
Prepaid Expenses	1,855.84	578.38
Total	14,839.34	14,727.19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.19 EQUITY SHARE CAPITAL

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Authorised		
50,00,00,000 (31.03.2019-50,00,00,000) Equity Shares of Re 1/- each	5,000.00	5,000.00
Issued		
45,39,35,238 (31.03.2019-45,39,35,238) Equity Shares of Re 1/- each fully paid up	4,539.35	4,539.35
Subscribed & Paid up*		
45,31,80,768 (31.03.2019-45,39,35,238) Equity Shares of Re 1/- each fully paid up	4,531.81	4,539.35
Total issued, subscribed and fully paid up share capital	4,531.81	4,539.35

*Of the above 22,69,67,619 (31.03.2019 : 22,69,67,619) equity shares fully paid up have been issued in consideration other than cash by way of bonus shares in last 5 years.

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
Shares outstanding at the beginning of the year	45,39,35,238	4,539.35	22,69,67,619	2,269.68
Bonus shares issued during the year #	-	-	22,69,67,619	2,269.67
Less : Shares bought back and pending extinguishment	7,54,470	7.54	-	-
Shares outstanding at the end of the year	45,31,80,768	4,531.81	45,39,35,238	4,539.35

Refer Note no. : 3.60 for Buy Back

(b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. The company declares & pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting and is accounted for in the year in which it is approved by the shareholders in the general meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shareholders holding more than 5% shares in the company.

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number of shares	% of Holding	Number of shares	% of Holding
Diwakar Viniyog Private Limited	4,95,33,849	10.91	5,86,33,849	12.92
Suntrack Commerce Private Limited	4,91,34,107	10.82	5,82,34,107	12.83
Bhanu Vyapaar Private Limited	4,37,65,902	9.64	5,10,45,902	11.25
Raviraj Viniyog Private Limited (Formerly Known as Emami Enclave Makers Private Limited)	-	-	2,50,96,984	5.53
Suraj Viniyog Private Limited	-	-	2,36,45,848	5.21
"Prabhakar Viniyog Private Limited (Formerly Known as Emami High Rise Private Limited) "	-	-	2,41,31,492	5.32
SBI Consumption Opportunities Fund	3,14,86,699	6.94	2,33,05,013	5.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.20 OTHER EQUITY

₹ in Lacs

Particulars	As at 31.03.2020		As at 31.03.2019	
Retained Earnings				
Opening balance	71,121.16		63,077.24	
Net Profit for the year	30,291.42		30,323.02	
Remeasurements of the Net Defined Benefit Plans (net of tax)	(15.55)		294.26	
Effects of adoption of new accounting standard i.e. Ind AS 115	-		(4,076.82)	
Income Tax Effect	-		524.85	
Final Dividend#	(18,157.41)		(15,887.73)	
Interim Dividend#	(18,157.40)		-	
Corporate Dividend Tax#	(7,464.61)		(3,133.66)	
Closing Balance		57,617.61		71,121.16
Other Comprehensive Income				
Equity Instruments through Other Comprehensive Income (net of tax)				
Opening Balance	13,422.12		14,987.48	
Change during the year	(9,751.78)		(1,565.36)	
Closing balance		3,670.34		13,422.12
Foreign Currency Translation Reserve				
Opening Balance	8.52		241.59	
Addition during the year	(328.38)		(233.07)	
Closing Balance		(319.86)		8.52
Other Reserves				
Capital Reserves		79.64		79.64
Securities Premium				
Opening balance	30,935.49		33,205.16	
Issue of Bonus Shares	-		(2,269.67)	
Amount paid/payable upon for Buy back ##	(1,236.69)		-	
Buyback distribution tax ##	(289.13)		-	
Transaction costs related to Buyback ##	(114.17)		-	
Closing Balance		29,295.50		30,935.49
Capital Redemption Reserve (CRR)				
Opening balance	-		-	
Appropriation from general reserve upon Buyback of equity shares ##	7.54		-	
Closing Balance		7.54		-
General Reserve				
Opening Balance	87,500.00		87,500.00	
Transfer to capital redemption reserve upon Buyback of equity shares ##	(7.54)		-	
Closing Balance		87,492.46		87,500.00
Total		177,843.23		203,066.93

Refer Note No : 3.49

Refer Note No : 3.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.20 OTHER EQUITY (Contd...)

Nature and purpose of reserves

Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital Reserve

Capital Reserve has been primarily created on amalgamation in earlier years.

Retained Earnings

This Reserve represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Other Comprehensive Income

This Reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in the accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Capital Redemption Reserve

Represents the nominal value of Equity shares bought back pursuant to Buyback in accordance with Section 69 of the Companies Act, 2013.

3.21 OTHER FINANCIAL LIABILITIES

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
At amortised cost		
Unsecured		
Trade Deposits	287.80	264.62
Security Deposits	424.94	424.94
Lease Liabilities#	830.55	-
Total	1,543.29	689.56

Refer Note no 3.50

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.22 PROVISIONS

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
Provision for Employee Benefits		
Gratuity (Refer Note No : 3.39)	2,310.20	1,995.33
Total	2,310.20	1,995.33

3.23 DEFERRED TAX LIABILITIES (NET)

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liabilities		
Tax impact arising out of temporary differences in depreciable assets	4,246.71	3,571.62
Tax impact arising on fair value gain on financial instruments	38.15	159.69
Deferred Tax Assets		
Tax Impact of expenses allowable against taxable income in future years	(3,927.18)	(2,127.46)
Deferred Tax Asset on lease	11.50	-
Total	346.18	1,603.86

3.24 OTHER NON-CURRENT LIABILITIES

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
Deferred Government grants *	2,155.69	2,367.55
Total	2,155.69	2,367.55

* To be amortised to income over the life of the assets against which such grants are received/receivable.

3.25 BORROWINGS

Particulars	₹ in Lacs			
	As at 31.03.2020		As at 31.03.2019	
At amortised cost				
Secured				
From Banks				
Cash Credit (including working capital demand loan)	8,614.64		9,097.72	
Packing Credit	1,500.00	10,114.64	1,861.54	10,959.26
(Cash Credit amounting to ₹ 12,632.33 Lacs (31.03.2019: ₹ 3,572.52 Lacs) and Packing Credit are secured by hypothecation of inventories, book debts on first charge basis ranking pari passu amongst lenders.)				
(Cash Credit amounting to ₹ 4766.29 Lacs (31.03.2019: ₹ 5,525.20 Lacs) is secured by standby letter of credit issued by Citi Bank, India in favour of Citi Bank, Dubai)				

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.25 BORROWINGS (Contd...)

₹ in Lacs

Particulars	As at 31.03.2020		As at 31.03.2019	
Unsecured				
From Banks				
Cash Credit (including working capital demand loan)	8,783.98		-	
Packing Credit	1,747.52	10,531.5	-	-
Loan from Director		377.30		27.67
Total		21,023.44		10,986.93

Notes :

- Cash credit amounting to ₹ 4,766.29 Lacs carries an interest rate of LIBOR plus 1.5% (31.03.2019 : LIBOR rate 1.5%) and for balance Cash credit amounting to ₹ 12,632.33 Lacs interest ranges between 7% - 9.45% (31.03.2019 : Interest rate 7.5% - 10%)
- Packing credit is repayable within 6 months & carries interest in the range of 4.00%- 5.00% (31.03.2019 : Interest rate 4.80% -5.50%)
- Loan from directors are repayable on demand & carries an interest rate of 2.75% (31.03.2019 : Interest rate 4%)

3.26 TRADE PAYABLES

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
At amorised cost		
Total outstanding dues of Micro & Small Enterprises (Refer Note No 3.42)	2,304.19	303.48
Total outstanding dues of creditors Other than Micro & Small Enterprises	30,141.72	28,832.51
Total	32,445.91	29,135.99

Refer Note no 3.52 for liquidity risk and market risk

3.27 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
At amorised cost		
Interest Accrued but not due on Borrowings	27.06	76.52
Interest Accrued and due on Trade Deposits	8.03	8.05
Creditors for Capital Goods	504.77	8,988.08
Unpaid Dividends##	187.13	175.05
Employee Benefits	3,645.32	3,375.39
Security Deposit	79.50	79.50
Lease Liabilities #	634.25	-
Other Payables	-	553.76
Payable towards Buyback of Shares	112.45	-
Total	5,198.51	13,256.35

Refer Note No : 3.50

Unpaid dividend does not include amount due and outstanding, to be credited to Investor Education and Protection Fund.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.28 OTHER CURRENT LIABILITIES

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
Deferred Government Grant*	212.26	212.19
Advance from Customers	540.49	1,021.88
Duties & Taxes	4,110.71	1,220.10
Total	4,863.46	2,454.17

* To be amortised to income over the life of the assets against which such grants are received/receivable.

3.29 PROVISIONS

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
Provision for Employee Benefits		
Provident Fund (Refer Note No 3.40)	352.05	102.11
Gratuity (Refer Note No 3.39)	52.62	38.06
Leave Encashment	1,243.88	820.95
Others		
Provision for Litigations (Refer Note No 3.41)	9,105.85	6,515.23
Provision for Rebates and Damage return (Refer Note 3.65)	3,794.18	4,056.22
Total	14,548.58	11,532.57

3.30 CURRENT TAX LIABILITIES (NET)

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
Provision for Direct Taxes (Net of Advances)	1,124.39	628.06
Total	1,124.39	628.06

3.31 REVENUE FROM OPERATIONS

Particulars	₹ in Lacs	
	2019-2020	2018-2019
Revenue from contracts with customers		
Sale of Products (Refer Note No 3.64)	261,324.35	265,891.71
Other Operating Revenues*	4,163.82	3,571.10
Total	265,488.17	269,462.81

* It includes amortisation of Capital Subsidy, Export incentives and GST Refund

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.32 OTHER INCOME.

Particulars	₹ in Lacs	
	2019-2020	2018-2019
Interest Received on financial assets carried at amortised cost		
Loans & Deposits	2,832.23	1,722.28
Dividend Income from equity investment carried at fair value through OCI	95.35	95.35
Income received on investments carried at fair value through Profit and loss		
Profit on Sale/Fair Value of mutual funds	1,437.53	924.01
Profit on Derivative Instruments (net)	-	160.07
Profit on Sale of Property, Plant & Equipments (net)	589.18	7.15
Rent and Maintenance Charges Received	562.85	420.17
Sundry Balances Written Back	93.11	15.14
Miscellaneous Receipts	96.33	146.17
Total	5,706.58	3,490.34

3.33 COST OF MATERIALS CONSUMED

Particulars	₹ in Lacs	
	2019-2020	2018-2019
Raw materials and Packing materials		
Opening Stock	8,291.89	7,149.33
Add : Purchases during the year	75,715.55	79,110.07
Less : Closing Stock	9,678.55	8,291.89
Total	74,328.89	77,967.51

3.34 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	₹ in Lacs	
	2019-2020	2018-2019
(I) Opening Stock		
Work-in-progress	411.41	376.50
Finished Goods	9,115.76	8,409.57
Stock in trade	3,557.77	3,015.68
(II) Closing Stock		
Work-in-progress	407.98	411.41
Finished Goods	10,675.52	9,115.76
Stock in trade	2,848.10	3,557.77
(I) - (II)	(846.66)	(1,283.19)

3.35 EMPLOYEE BENEFIT EXPENSES

Particulars	₹ in Lacs	
	2019-2020	2018-2019
Salaries and Wages	26,924.79	24,879.54
Staff Contribution to Provident and Other Funds	1,684.37	1,585.82
Gratuity Expenses (Refer Note No 3.39)	668.92	733.71
Welfare expenses	672.90	773.29
Total	29,950.98	27,972.36

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as at & for the year ended 31st March, 2020

3.36 FINANCE COSTS

Particulars	₹ in Lacs	
	2019-2020	2018-2019
Interest on debts & borrowings	2,003.18	2,140.29
Interest on lease liabilities	97.97	-
Total	2,101.15	2,140.29

3.37 OTHER EXPENSES

Particulars	₹ in Lacs	
	2019-2020	2018-2019
Consumption of Stores and Spare parts	601.44	523.02
Power and Fuel	2,246.73	2,263.77
Rent (Refer Note No. 3.50)	729.23	987.99
Repairs & Maintenance :		
Building	216.93	269.89
Machinery	1,085.18	1,069.91
Others	1,918.59	1,922.17
Insurance	328.80	275.06
Freight & Forwarding	6,027.33	6,240.22
Directors' Fees and Commission	601.00	647.35
Advertisement & Sales Promotion	47,113.99	47,017.47
Packing Charges	5,854.56	4,565.83
Commission	952.57	996.37
Provision for doubtful receivables	124.69	16.65
Provision for doubtful trade receivables	103.13	-
Legal and Professional Fees	3,760.02	2,739.48
Travelling and Conveyance	2,840.28	2,915.17
Expenditure on CSR Activities	564.14	796.56
Loss on fair value of derivatives	341.87	-
Loss on fair value of Loan at FVTPL	54.75	-
Loss on Impairment of Investment in an Associate	56.50	-
Miscellaneous Expenses	3,350.76	3,012.23
Foreign Exchange Loss (net)	-	208.48
Total	78,872.49	76,467.62

3.38 SEGMENT INFORMATION

The management has considered that the Group has a single reportable segment based on nature of products, production process, regulatory environment, customers and distribution methods. Further the Group is engaged in single business line, viz, "Personal and Health Care".

The Group primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas operations as under :

Revenue from Operation	₹ in Lacs	
	2019-2020	2018-2019
India	2,24,070.75	233,482.62
Overseas *	41,417.42	35,980.19
Total	2,65,488.17	269,462.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.38 SEGMENT INFORMATION (CONTD...)

The following table shows the carrying amount of segment Non current assets* by geographical area to which these assets are attributable:

Carrying amount of Non Current Assets (excluding Financial assets and Deferred Tax assets.)	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
India	145,501.50	169,743.69
Overseas *	3,746.98	3,672.40
Total	149,248.48	173,416.09

* Revenue and carrying amount of Non Current Assets from no individual country is material.

Non-current assets for this purpose consist of property, plant and equipment, intangible assets, investment properties, goodwill and other non current assets.

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues.

3.39 DEFINED BENEFIT PLAN (GRATUITY) :

- (i) The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death.

The Holding Company makes contributions to Himani Limited Gratuity Fund, J.B.Marketing and Services Employees Gratuity Fund, Zandu Pharmaceuticals Employees Gratuity Fund & Kemco Chemicals Employees Gratuity Fund, which is funded defined benefit plan for qualifying employees in India.

- (ii) Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme for the group.

Particulars	₹ in Lacs	
	Gratuity As at 31.03.2020	Funded As at 31.03.2019
A Expenses Recognised in the income Statement		
1 Current Service Cost	525.28	551.24
2 Past Service Cost	-	-
3 Loss/(Gain) on Settlement	-	-
4 Net Interest Cost/(Income) on the Net Defined Benefit Liability/ (Asset)	143.64	182.47
5 Total Expenses recognised in the Statement of Profit and Loss	668.92	733.71
B Assets and Liability		
1 Present value of Obligation	4,934.82	4,264.15
2 Fair Value of Plan Assets	2,572.00	2,230.76
3 Funded Status [Surplus/(Deficit)]	(2,362.82)	(2,033.39)
Effects of Asset Ceiling, if any	-	-
4 Net Asset/(Liability) recognised in Balance Sheet	(2,362.82)	(2,033.39)
C Change in Present Value of Obligation		
1 Present value of Obligation as at beginning of period	4,264.14	4,524.68
2 Current Service Cost	525.28	551.24
3 Interest Expense or Cost	313.54	344.53
4 Re-measurement (or Actuarial)(gain)/loss arising from :	-	-
- Change in demographic assumptions	(61.13)	(54.27)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.39 DEFINED BENEFIT PLAN (GRATUITY) : (CONTD...)

₹ in Lacs

Particulars	Gratuity Funded	
	As at 31.03.2020	As at 31.03.2019
- Change in financial assumptions	178.92	(501.93)
- Experience variance (i.e.Actual experience vs assumptions)	(106.11)	52.33
5 Past Service Cost	-	-
6 Benefits Paid	(179.82)	(652.44)
7 Acquisition Adjustment	-	-
8 Present value of Obligation as at the end of period	4,934.82	4,264.14
D Change in Fair Value of Plan Assets		
1 Fair Value of Plan Assets at beginning of period	2,230.76	2,106.36
2 Investment Income	169.90	162.07
3 Employer's Contribution	340.00	597.32
4 Benefits paid	(168.66)	(616.75)
5 Return on plan assets,excluding amount recognised in net interest expense	-	(18.24)
6 Acquisition Adjustment	-	-
7 Fair Value of Plan Assets at end of period	2,572.00	2,230.76
E Other Comprehensive Income		
1 Acturial (gains)/losses		
- Change in demographic assumptions	(61.13)	(54.27)
- Change in financial assumptions	178.92	(501.93)
- Experience variance (i.e.Actual experience vs assumptions)	(106.72)	52.33
2 Return on plan assets,excluding amount recognised in net interest expense	-	18.24
3 Components of defined benefit costs recognised in other comprehensive income	11.07	(485.63)

(iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Funds managed by Insurer	100%	100%

(iv) Assumptions

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Financial Assumptions		
Discount Rate (%)	4.00% to 6.99%	6.70% to 7.60%
Salary Growth Rate (per annum)	2.30% to 13.40%	5.10% to 9%
Demographic Assumptions		
Mortality Rate	100% (% of IALM 12-14)	100% (% of IALM 06-08)
Withdrawal Rate (per annum)	13% to 21%	10% to 30%

(v) Sensitivity Analysis :-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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3.39 DEFINED BENEFIT PLAN (GRATUITY) : (CONTD...)

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
Defined Benefit Obligation (Base)	4,933.77	4,263.90

Particulars	₹ in Lacs			
	As at 31.03.2020		As at 31.03.2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 0.50% - 1%) (₹ in Lacs)	5,171.48	4,717.39	4,483.30	4,065.37
(% change compared to base due to sensitivity)	4.82%	-4.39%	5.15%	-4.66%
Salary Growth Rate (- / + 0.50% - 1%) (₹ in Lacs)	4,717.77	5,166.66	4,066.32	4,478.34
(% change compared to base due to sensitivity)	-4.32%	4.72%	-4.63%	5.03%
Attrition Rate (- / + 50% of present attrition rate) (₹ in Lacs)	5,087.31	4,835.46	4,317.14	4,221.55
(% change compared to base due to sensitivity)	3.11%	1.99%	1.25%	-1.00%
Mortality Rate (- / + 10%) (₹ in Lacs)	4,932.86	4,934.70	4,263.42	4,264.40
(% change compared to base due to sensitivity)	-0.02%	0.02%	-0.01%	0.01%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(vi) Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees in India. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

b) Expected Contribution during the next annual reporting period

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
The Company's best estimate of Contribution during the next year	300.00	300.00

c) Maturity Profile of Defined Benefit Obligation

Particulars	As at 31.03.2020	As at 31.03.2019
Weighted average duration (based on discounted cashflows)	4 Years	5 Years

Expected cash flows over the next (valued on undiscounted basis):	₹ in Lacs	
	2019-20	2018-19
1 Year	1,645.11	1,310.37
2 to 5 Years	1,875.22	1,714.59
6 to 10 Years	1,507.22	1,445.78
More than 10 Years	2,370.43	2,546.65

(vii) Description of Risk Exposures

Valuations are performed on certain basic set of pre determined assumptions and other regulatory frame work which may vary over time. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Group to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.39 DEFINED BENEFIT PLAN (GRATUITY) : (CONTD...)

of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Group is not able to meet the short-term gratuity pay outs. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumptions considered for the valuation.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time) or relevant applicable statute of respective foreign subsidiaries. There is a risk of change in regulations requiring higher gratuity payouts. (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

3.40 DEFINED BENEFIT PLAN (PROVIDENT FUND) :

- (i) In respect of certain employees in India, provident fund contributions are made to a Trust administered by the Group.

The defined benefit obligation arises from the possibility that during any time period in the future, the scheme may earn insufficient investment income to meet the guaranteed interest rate declared by government/EPFO/ relevant authorities.

The net defined benefit obligation as at the valuation date, thus, represents the excess of accrued account value plus interest rate guaranteed liability over the fair value of plan assets.

- (ii) Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme.

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Accumulated Account Value of Employee's Fund	11,914.68	10,049.36
Interest Rate Guarantee Liability	275.50	210.59
Present value of benefit obligation at end of the period	12,190.18	10,259.95
Fair Value of Plan Assets	11,838.13	10,157.84
Net Asset / (Liability)	(352.05)	(102.11)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.40 DEFINED BENEFIT PLAN (PROVIDENT FUND) : (CONTD...)

₹ in Lacs

	As at 31.03.2020	As at 31.03.2019
Interest Rate Guarantee Liability		
Interest Rate Guarantee Liability	275.50	210.59
Fund Reserve and Surpluses	(76.55)	108.48
Net Liability	352.05	102.11

(iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Government of India securities	11.05%	10.28%
State Government securities	36.49%	37.32%
High quality corporate bonds	42.55%	45.23%
Equity shares of listed companies	3.12%	3.36%
Special Deposit Scheme	0.25%	0.29%
Bank balance	2.29%	1.48%
Other Investments	4.25%	2.04%
Total	100%	100%

(iv) Assumptions

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Discount Rate	5.62%	7.00%
Expected Guarantee Interest Rate	8.50%	8.65%
Mortality Rate	100% (% of IALM 12-14)	100% (% of IALM 06-08)
Attrition Rate (for all ages; per annum)	13.00%	10.00%

(v) Liability sensitivity analysis

Significant actuarial assumptions for the determination of the guarantee liability are interest rate guarantee and discount rate.

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Defined Benefit Obligation (Base)	12,190.18	10,259.94

₹ in Lacs

Particulars	As at 31.03.2020		As at 31.03.2019	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%) (₹ in Lacs)	12,199.86	12,174.43	10,261.21	10,228.67
(% change compared to base due to sensitivity)	0.08%	-0.13%	0.01%	-0.30%
Interest rate guarantee (-/+ 1%) (₹ in Lacs)	11,914.68	12,803.38	10,049.36	10,713.84
(% change compared to base due to sensitivity)	-2.26%	5.03%	-2.05%	4.42%

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as at & for the year ended 31st March, 2020

3.41 THE GROUP HAS MADE A PROVISION OF ₹ 2,590.85 LACS (31.03.2019 - ₹ 1,451.18 LACS) TOWARDS CASES WHICH ARE UNDER LITIGATION/DISPUTE DURING THE YEAR AS SHOWN BELOW:

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
Opening Balance	6,515.23	5,224.08
Provisions made during the year	2,590.62	1,451.18
Payment/reversals during the year	-	(160.03)
Closing Balance	9,105.85	6,515.23

3.42 INFORMATION RELATING TO MICRO & SMALL ENTERPRISES (MSME)'S :

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	2,304.19	303.48
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year.	-	-
Interest due and payable towards suppliers registered under MSMED Act for payments already made.	-	-
Further interest remaining due and payable for earlier years	-	-
Total	2,304.19	303.48

3.43 SECURITY DEPOSIT OF H 5.45 LACS (31.03.2019 -H 5.55 LACS) GIVEN TO DIRECTORS OF THE HOLDING COMPANY AGAINST TENANCIES. (MAXIMUM AMOUNT OUTSTANDING DURING THE YEAR - ₹ 5.55 LACS (31.03.2019 -₹ 5.65 LACS).

3.44 CONTINGENT LIABILITIES & COMMITMENTS

I) Contingent Liabilities

(a) Claims against the Company not acknowledged as debt :	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
i) Excise Duty and Customs demands	247.29	364.95
ii) Sales Tax demands under appeal	235.86	493.41
iii) Entry Tax	-	12.89
iv) Others	23.05	23.05

Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Group, the management believes that the Group has a good chance of success in above-mentioned cases and hence, no provision there against is considered necessary. The timing of outflow of resources is not ascertainable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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3.44 CONTINGENT LIABILITIES & COMMITMENTS (CONTD...)

	₹ in Lacs	
(b) Guarantees	As at 31.03.2020	As at 31.03.2019
Bank Guarantees	416.53	592.89

II) Commitments:

	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
(a) Capital Commitments : Estimated amount of commitments [net of advances of ₹ 1,900.04 Lacs (31.03.2019 - ₹ 2,037.98 Lacs)] on capital account not provided for	2,200.99	2,854.77

(b) EPCG Commitments : The Group had procured capital goods under the Export Promotion Capital Goods Scheme of the Government of India, at a concessional rate of customs duty / excise on an undertaking to fulfill quantified export obligation within the specified periods, failing which, the Group has to make payment to the Government of India equivalent to the duty benefit enjoyed along with interest. Related export obligation to be met is ₹ 1,427.06 Lacs (P.Y.-₹ 2,077.91 Lacs). In addition, the Group needs to maintain the average annual export turnover of ₹ 3,293.00 Lacs to meet the above export obligation. The Group is confident that the above export obligation will be met during the specified period.

3.45 INFORMATION REGARDING INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

	₹ in Lacs	
Particulars	2019-2020	2018-2019
Income derived from investment properties	532.09	380.71
Less : Direct operating expenses (including repairs and maintenance) generating income from investment property	119.98	101.83
Profit arising from investment properties before depreciation and indirect expenses	412.11	278.88
Less: Depreciation	109.30	268.72
Profit arising from investment properties before indirect expenses	302.81	10.16

Reconciliation of fair value:

	₹ in Lacs	
Particulars	2019-2020	2018-2019
Fair value of opening balance of Investment property	7,802.02	5,827.64
Fair value adjustment on opening balance of Investment property	(842.24)	1,040.27
Fair value of transfer in/(out)	(148.00)	934.11
Fair value of closing balance of Investment property	6,811.78	7,802.02

These valuations are based on valuations performed by the management based on the available market prices of the properties.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.46 CATEGORIZATION OF FINANCIAL INSTRUMENTS:

₹ in Lacs

Particulars	Carrying value /Fair value	
	As at 31.03.2020	As at 31.03.2019
(i) Financial Assets		
a) Measured at FVTPL		
- Investments in mutual funds / alternate investment fund	9176.08	2,060.62
- Investments in Preference Shares	-	978.30
- Investments in Equity Shares	-	0.70
- Loans	345.25	-
- Other Financial Assets (Derivative assets - Forward & Option)	29.49	371.36
b) Measured at FVOCI		
- Investments in Equity Shares	4,341.28	14,054.58
c) Measured at Amortised Cost*		
- Loans	7462.47	1,896.43
- Other Financial Assets	11,761.12	7,513.71
TOTAL	33,115.69	26,875.70
(ii) Financial Liabilities		
a) Measured at Amortised Cost*		
- Borrowings (Secured & Unsecured)	21,023.44	10,986.93
- Other Financial Liabilities	6,741.80	13,945.91
TOTAL	27,765.24	24,932.84

*Fair values of assets / liabilities carried at amortised cost are reasonable approximation of its carrying values.

The Group has not disclosed fair value of financial instruments such as cash and cash equivalents, other bank balances, trade receivables and trade payables because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

3.47 FAIR VALUE HIERACHY

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020 :

₹ in Lacs

Particulars	Fair value measurement at end of the reporting year using			As at 31.03.2020
	Level 1	*Level 2	*Level 3	Total
Assets				
Investments in mutual fund units / alternate investment fund	-	9,176.08	-	9,176.08
Investments in Equity Shares	3,933.27	-	408.01	4,341.28
Loans	-	-	345.25	345.25
Derivative financial instruments - Derivative assets - Forward & Option	-	-	29.49	29.49

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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3.47 FAIR VALUE HIERACHY (CONTD...)

Particulars	Fair value measurement at			₹ in Lacs
	end of the reporting year using			As at
	Level 1	*Level 2	*Level 3	31.03.2019
				Total
Assets				
Investments in mutual fund units / alternate investment fund	-	2,060.62	-	2,060.62
Investments in Equity Shares	13,667.13	-	388.15	14,055.28
Investments in Preference Shares	-	-	978.30	978.30
Derivative financial instruments - foreign currency forward and option contracts	-	-	371.36	371.36

* Refer note below for valuation technique and inputs used.

Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
Loan	Discounting Cash Flow Method	Discount Rate	1% increase in Discount rate will decrease profit before tax by ₹ 4.00 Lacs and 1% decrease will increase profit before tax by ₹ 4.00 Lacs.
Derivative Financial instrument - Options Contract	Discounting Cash Flow Method	Volatility Factors	5% increase in Volatility factors will increase Profit before tax by ₹ 4.81 Lacs Lacs and 5% decrease will decrease Profit before tax by ₹ 4.66 lacs
Unquoted Securities in Loli Beauty	Discounting Cash Flow Method	Discount Rate	1% increase in Discount rate will decrease profit before tax by ₹ 12 Lacs and 1% decrease will increase profit before tax by ₹ 14 Lacs.

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year.

Reconciliation of fair value measurement of Level 3 assets.

Particular	Amount (₹ in Lacs)
As at 01.04.2018	800.02
Purchases	588.15
Fair Value Changes	349.64
As at 31.03.2019	1,737.81
Purchases /Addition	345.25
Disposal/Deletion	979.00
Fair Value Changes	(321.31)
As at 31.03.2020	782.75

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3.48 INCOME TAXES

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below :

Particulars	₹ in Lacs	
	2019-2020	2018-2019
Profit before Income Taxes	37,357.34	40,341.41
Enacted Tax Rate in India	34.94%	34.94%
Computed expected tax expenses	13,054.15	14,096.90
Tax Incentives for 80IC/IE units	(8,750.48)	(4,692.63)
Difference between tax depreciation and book depreciation estimated to be reversed during tax holiday period	2,886.61	2,033.56
CSR expenses	197.13	284.79
Lower tax rate on dividend received from foreign subsidiary	(768.39)	(112.34)
Effect of differential tax rates applicable to Foreign Subsidiaries	1,071.41	496.77
Tax Incentive for Dividend Received from Foreign Subsidiary	(792.00)	-
Deferred Tax Asset not Recognised	559.85	-
MAT credit (availment)/reversal	(214.00)	(2,219.85)
Others	(117.30)	201.13
Income Tax Expense	7,126.98	10,088.34

Details of current tax (MAT) for the year :

Particulars	₹ in Lacs	
	2019-2020	2018-2019
Current tax / MAT*	8,197.79	11,942.55
Less : MAT credit utilised	(214.00)	(2,219.85)
Add : MAT credit reversal	-	-
Add : Deferred tax charge/(credit)	(856.81)	365.64
Income Tax expense	7,126.98	10,088.34

* This amount is net of benefit received on the dividend received by Parent Company from a foreign subsidiary amounting to ₹ 792 lacs (31.03.2019 : ₹ Nil)

Deferred Tax Assets for MAT Credit entitlement amounting to ₹ 28,681.82 Lacs (31.03.2019 - ₹ 28,895.82 Lacs) and deferred tax asset on temporary differences amounting to ₹ 559.85 lacs (31.03.2019 - Nil) has not been recognised by the Parent Company considering that the availability of taxable profit against which such deductible temporary difference can be utilised cannot be ascertained with required level of certainty.

Table showing assessment years till which unutilised MAT credits can be carried forward:

Assessment Year (A.Y)	Net Balance available	MAT Credit available till A.Y
2009-10	882.71	2024-25
2010-11	1,698.00	2025-26
2011-12	1,473.75	2026-27
2012-13	1,943.09	2027-28
2013-14	4,285.57	2028-29
2014-15	2,647.87	2029-30
2016-17	6,642.52	2031-32
2017-18	4,793.46	2032-33
2018-19	2,505.27	2033-34
2019-20	1,809.58	2034-35
TOTAL	28,681.82	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.48 INCOME TAXES (CONTD...)

In respect of taxable temporary differences relating to undistributed reserves of subsidiaries amounting to ₹ 365.69 lacs (31.03.2019 ₹ 4,487.50 lacs), no deferred tax liability has been recognised considering that the Group controls the timing of the reversal of such temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The Taxation Laws (Amendment) Ordinance, 2019 was promulgated on 20 September 2019, which amends the Income Tax Act, 1961, and the Finance (No. 2) Act, 2019. The Ordinance provides domestic companies with an option to opt for lower tax rates, provided they do not claim certain deductions. Further, CBDT has clarified that the tax credit of MAT paid by the domestic company exercising option under section 115BAA of the Act shall not be available consequent to exercising of such option.

As there is no time line within which option under section 115BAA can be exercised, it may be noted that a domestic company having credit of MAT may, if it so desires, exercise the option after utilising the said credit against the regular tax payable. The management of Parent Company has assessed the impact of the above ordinance and CBDT clarification and in view of the significant amount of MAT credit and a unit having tax holiday, the management has chosen not to opt for lower tax rates and continue with the normal tax rate.

3.49 DISTRIBUTION OF DIVIDEND

Particulars	₹ in Lacs	
	2019-2020	2018-2019
Dividend on equity shares declared and paid :		
Final dividend for the year ended on 31.03.2019 :- ₹4.00 per share (31.03.2018 :- ₹ 7.00 per share)	18,157.41	15,887.73
Dividend Distribution Tax (DDT) on final dividend	3,732.31	3,133.66
1st Interim dividend for the year ended 31.03.2020 :- ₹ 2.00 per share (31.03.2019 :- ₹ Nil per share)	9,078.70	-
DDT on Interim dividend	1,866.15	-
2nd Interim dividend for the year ended 31.03.2020 :- ₹ 2.00 per share (31.03.2019 :- ₹ Nil per share)	9,078.70	-
DDT on Interim dividend	1,866.15	-
	43,779.42	19,021.39
Proposed dividends on Equity Shares		
Final dividend for the year ended 31.03.2020 :- ₹ Nil per share (31.03.2019 :- ₹ 4.00 per share)	-	18,157.41
DDT on Proposed dividend	-	3,732.31
	-	21,889.72

3.50 LEASES

Group as a Lessee

The Group has applied Ind As 116 Leases for the first time . The nature and effect of the changes as a result of adoption of this new accounting standard is described in the Note 2.3(m) of Accounting Policies.

Impact on Balance Sheet (Increase/Decrease)

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
Assets		
Right of Use Assets (Refer Note No. 3.4)	1,717.16	1010.36
Liabilities		
Lease Liabilities	1,464.80	695.85

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.50 LEASES (CONTD...)

Impact on Statement of Profit and Loss

₹ in Lacs

Particulars	2019-2020
Depreciation and Amortisation	395.96
Other Expenses	(433.20)
Finance Cost	97.98
Income Tax Expenses	(19.29)
Loss for the period	41.44

Impact on Statement of Cash Flows

₹ in Lacs

Particulars	2019-2020
Payment of principal portion of lease liabilities	335.48
Payment of Interest portion of lease liabilities	97.98
Net Cash flows used in financial activities	433.46

There is no material impact on other comprehensive income or the basic and diluted earning per share.

The Group has lease contracts for warehouse, factory land and office spaces used in its operations. These generally have lease terms between 2-10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

₹ in Lacs

Particulars	2019-2020
Initial recognition on adoption of Ind AS 116	695.85
Reclassified from PPE to ROU asset on adoption of Ind AS 116	314.51
As at 1st April 2019	1,010.36
Addition during the year	1,108.94
Depreciation Expense	395.96
FCTR	(6.18)
As at 31st March 2020	1,717.16

Set out below are the carrying amounts of lease liabilities and the movements during the year:

₹ in Lacs

Particulars	2019-2020
As at 1st April 2019	695.85
Addition during the year	1,108.94
Accretion of interest	97.98
FCTR	(4.51)
Payments	433.46
As at 31st March 2020	1,464.80
Current	634.25
Non Current	830.55

The effective interest rate for lease liabilities is 8% to 10% , with maturity between 2021-2025

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.50 LEASES (CONTD...)

The following are the amounts recognised in Statement of Profit and Loss:

Particulars	₹ in Lacs	
	2019-2020	2018-2019
Depreciation expense of right-of use assets	395.96	-
Interest expenses on lease liabilities	97.98	-
Expense relating to other leases (including in other expenses)	729.23	987.99
Total amount recognised in Statement of Profit and Loss	1,223.16	987.99

Group as a Lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

The Group has entered into operating leases on its investment property portfolio consisting of certain office (see Note 3.2). These leases have terms of between 1-5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessee is also required to provide a residual value guarantee on the properties. Rental income recognised by the Group during the year is ₹ 430.85 lacs (31.03.2019: ₹ 311.86 lacs).

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
Within one year	160.62	198.02
After one year but not more than five years	-	160.62

3.51 CAPITAL MANAGEMENT

The Group's capital management is driven by its policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Group's capital. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is defined as current and non-current borrowings (including current maturity of long term debt and interest accrued) less cash and cash equivalents.

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
Net Debt	19,966.56	(583.13)
Total equity	182,375.04	207,606.28
Net Debt plus Total Equity	202,341.60	207,023.15
Gearing Ratio	9.87%	0.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.52 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

Foreign Currency risk

The Group operates both in domestic market and internationally and consequently the Group is exposed to foreign exchange risk through its sales in overseas countries, and purchases from overseas suppliers in foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table analyzes foreign currency risk from financial instruments

₹ in Lacs

Particulars	As at 31.03.2020	As at 31.03.2019
Exposure Currency (USD)		
Trade Receivable	6,564.26	8,761.89
Exposure Currency (AED)		
Trade Receivable	-	1,182.00
Exposure Currency (AUD)		
Trade Receivable	-	44.03
Exposure Currency (EGP)		
Trade Receivable	-	25.76
Exposure Currency (EURO)		
Trade Receivable	65.00	205.26
Exposure Currency (BDT)		
Trade Receivable	-	1,219.56
Exposure Currency (LKR)		
Trade Receivable	-	248.49
	6,629.26	11,686.99

For the year ended 31.03.2020 and 31.03.2019, every percentage appreciation/reduction in the exchange rate between the INR and Foreign Currency, would increase/decrease the Group's Profit before tax by approximately ₹ 66.29 Lacs and ₹ 116.87 Lacs respectively.

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution.

Commodity Price Risk

The Group is affected by the price volatility of its key raw materials. Its operating activities requires a continuous supply of key material for manufacturing of hair oil,talc ,balm and other products. The Group's procurement department continuously monitor the fluctuation in price and take necessary action to minimise its price risk exposure.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.52 FINANCIAL RISK MANAGEMENT (CONTD...)

Security Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Group invests its surplus funds in various mutual funds, debt instruments and equity instruments. These comprise of mainly liquid schemes of mutual funds, short term debt funds & income funds (duration investments) and certain quoted equity instruments. To manage its price risk arising from investments in mutual funds and equity instruments, the Group diversifies its portfolio. Mutual fund and equity investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

The Group's exposure to securities price risk arises from investments in mutual funds and equity investments held by the Group and classified in the Balance Sheet as fair value through profit or loss / fair value through other comprehensive income is disclosed under Note no. 3.5 & 3.12

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 30,800.83 Lacs and ₹ 21,635.45 Lacs as at 31.03.2020 and 31.03.2019, respectively. Trade receivables includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis based on historical data of credit losses.

No customer individually accounted for more than 10% of the revenues from external customers during the year ended 31st March 2020 and 31st March 2019.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

	₹ in Lacs	
Trade Receivable	As at 31st March 2020	As at 1st April 2019
Less than 30 days	15,162.42	16,348.93
31 - 90 days	8,594.89	3,659.94
91 to 180 days	4,604.33	911.99
More than 180 days	2,439.19	714.59
Total	30,800.83	21,635.45

		Trade receivables				Total
		1-30 days past due	31-90 days past due	91-180 days past due	More than 180 days past due	(INR in lacs)
	Estimated total gross carrying amount at default	15,162.42	8,594.89	4,604.33	2,542.65	30,904.29
31-Mar-20	Expected Credit Loss- simplified approach	-	-	-	103.46	103.46
	Net carrying amount	15,162.42	8,594.89	4,604.33	2,439.19	30,800.83

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.52 FINANCIAL RISK MANAGEMENT (CONTD...)

Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations as well as investment in mutual funds. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	₹ in Lacs	
	As at 31st March 2020	As at 1st April 2019
Less than 1 year		
Borrowings	21,023.44	10,986.93
Interest Payable on Borrowings in future	111.51	61.51
Trade Payables	32,445.91	29,135.99
Other financial Liabilities	5,198.51	13,256.35
	58,779.37	53,440.78
More than 1 year		
Other financial Liabilities	1,543.29	689.56
	1,543.29	689.56
Total	60,322.66	54,130.34

3.53 GROUP INFORMATION

	Country of Incorporation	₹ in Lacs	
		As at 31.03.2020 % of Holding	As at 31.03.2019 % of Holding
SUBSIDIARIES			
Emami Bangladesh Limited	Bangladesh	100.00%	100.00%
Emami International FZE	UAE	100.00%	100.00%
Emami Indo Lanka (Pvt) Limited	Sri Lanka	100.00%	100.00%
Emami Overseas FZE - Subsidiary of Emami International FZE	UAE	100.00%	100.00%
Creme 21 GmbH (Formerly known as Fentus 113. GmbH)- Subsidiary of Emami International FZE	Germany	100.00%	100.00%
Emami RUS (LLC) - Subsidiary of Emami International FZE	Russia	99.99%	99.99%
PharmaDerm Company SAE.- Subsidiary of Emami Overseas FZE	Egypt	90.60%	90.60%
Fravin Pty.Ltd- Subsidiary of Emami International FZE	Australia	85.00%	85.00%
Greenlab Organics, Subsidiary of Fravin Pty Ltd. (Upto 7th Jan 2020. Refer Note No. 3.61)	United Kingdom	-	85.00%
Diamond Bio-tech Laboratories Pty Ltd. - Subsidiary of Fravin Pty Ltd.	Australia	85.00%	85.00%
Abache Pty Ltd - Subsidiary of Diamond Bio-tech Laboratories Pty Ltd.	Australia	85.00%	85.00%
ASSOCIATE			
Helios Lifestyle Private Limited	India	33.09%	33.80%
Brillare Science Private Limited (w.e.f 22nd Apr 2019)	India	34.70%	0.00%

As at the balance sheet date, there are no subsidiaries that have non-controlling interests that are material to the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.54 The Group has identified that its only reportable segment and Cash generating unit (CGU) is "Personal and Healthcare", to which the goodwill and brand (with indefinite life) acquired through investment in associate, has been entirely allocated. The Group's share of carrying amount of goodwill and brand as at 31st March, 2020 is ₹ 549.21 lacs and ₹ 2,105.33 lacs (31st March, 2019 ₹ 25.87 lacs and ₹ 1,384.91 lacs) respectively.

Brillare Science Private Limited has become an associate of the Group during the year. The Group has performed fair valuation of brand and goodwill as on the date of investment in the associate on 22nd April 2019. Before the year end, the management has tested the above assets for impairment and accounted for an impairment of ₹ 56.50 lacs.

3.55 RELATED PARTY TRANSACTIONS

A. Related Parties with whom transactions have taken place during the period

i) Associate

Helios Lifestyle Private Limited
Brillare Science Private Limited

ii) Key Management Personnel

1	Shri R. S. Agarwal	Chairman
2	Shri R. S. Goenka	Executive Director
3	Shri Sushil Kr. Goenka	Managing Director
4	Smt. Priti A. Sureka	Executive Director
5	Shri Mohan Goenka	Executive Director
6	Shri H. V. Agarwal	Executive Director
7	Shri Prashant Goenka	Executive Director
8	Shri Amitabh Goenka	Executive Director of Emami International FZE
9	Sri N.H.Bhansali	CEO - Finance, Strategy & Business Development and CFO
10	Sri Arun Kumar Joshi	Company Secretary & VP- Legal

ii) Other Directors

1	Shri Aditya Vardhan Agarwal	Non Executive Director
2	Shri Ashish Goenka	Non Executive Director of Emami Bangladesh Limited
3	Shri K.N.Memani	Independent Director
4	Shri Amit Kiran Deb	Independent Director
5	Shri Y.P.Trivedi	Independent Director
6	Shri S.B.Ganguly	Independent Director
7	Shri P.K.Khaitan	Independent Director
8	Shri C.K.Dhanuka	Independent Director
9	Smt. Rama Bijapurkar	Independent Director
10	Shri Debabrata Sarkar	Independent Director

iii) Relatives of Key Management Personnel

1	Smt. Usha Agarwal	17	Ms.Shreya Goenka
2	Smt. Saroj Goenka	18	Ms.Vidula Agarwal
3	Smt. Indu Goenka	19	Shri Raj Kr. Goenka
4	Smt. Rachna Bagaria	20	Shri Manish Goenka

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.55 RELATED PARTY TRANSACTIONS (CONTD...)

5 Smt. Laxmi Devi Bajoria	21 Shri Jayant Goenka
6 Ms. Jyoti Agarwal	22 Shri Sachin Goenka
7 Ms.Pooja Goenka	23 Shri Rohin Raj Sureka
8 Ms.Smriti Agarwal	24 Shri Vibhash Vardhan Agarwal
9 Ms. Sobhna Agarwal	25 Shri Yogesh Goenka
10 Ms.Vidisha Agarwal	26 Shri Saswat Goenka
11 Ms.Avishi Sureka	27 Ms. Chikky Goenka
12 Ms. Jyoti Goenka	28 Ms. Vidhishree Agarwal
13 Ms. Mansi Agarwal	29 Shri Vihan Vardhan Agarwal
14 Ms. Rachna Goenka	
15 Ms.Rashmi Goenka	
16 Ms.Richa Agarwal	

iv) Entities where Key Management Personnel and their relatives have significant influence

1 Suntrack Commerce Private Limited	22 Emami Home Private Limited
2 Diwakar Viniyog Private Limited	23 Emami Centre for Creativity Private Limited
3 Bhanu Vyapaar Private Limited	24 Emami Power Limited
4 Suraj Viniyog Private Limited	25 Narcissus Bio-Crops Private Limited (Formerly known as Emami International Private Limited)
5 Emami Paper Mills Limited	26 Emami Constructions Private Limited
6 Emami Cement Limited	27 Supervalve Buildcon Private Limited (Formerly known as Emami Buildcon Private Limited)
7 Emami Frank Ross Limited	28 Dev Infracity Private Limited
8 Pan Emami Cosmed Limited	29 Emita Limited
9 Emami Realty Limited	30 Emami Beverages Limited
10 Emami Agrotech Limited	31 TMT Viniyogan Limited
11 CRI Limited	32 EPL Securities Limited
12 Aviro Vyapar Private Limited	33 Pacific Healthcare Pvt. Limited
13 AMRI Hospitals Limited	34 Khaitan & Co.
14 Prabhakar Viniyog Private Limited (Formerly known as Emami High Rise Private Limited)	35 Khaitan & Co. LLP
15 Ravi Raj Viniyog Private Limited (Formerly known as Emami Enclave Makers Private Limited)	16 Fastgrow Nirman Private Limited (Formerly known as Emami Nirman Private Limited)
17 Emami Vriddhi Commercial Private Limited	18 Emami Estates Private Limited
19 Emami Projects Private Limited	20 Emami Capital Markets Limited
21 Emami Group Of Companies Private Limited	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.55 RELATED PARTY TRANSACTIONS (CONTD...)

iv) Trust where Key Management Personnel and their relatives have significant influence

- 1 Himani Limited Staff Provident Institution
- 2 Emami Foundation
- 3 Aradhana Trust

B. Disclosure of Transactions between the Company and Related Parties.

Particulars	₹ in Lacs							
	Associate		Directors, Key Management Personnel & Relatives		Entities / Trust where Key Management Personnel and their relatives have significant influence		Total	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
1. Remuneration and Employee Benefits								
i) EXECUTIVE DIRECTORS								
- Short Term Employee benefits	-	-	1,627.77	1,455.72	-	-	1,627.77	1,455.72
- Post Employment benefits	-	-	64.92	58.60	-	-	64.92	58.60
- Commission	-	-	500.00	500.00	-	-	500.00	500.00
ii) OTHER DIRECTORS								
- Sitting Fees	-	-	32.50	30.10	-	-	32.50	30.10
- Commission	-	-	68.50	117.25	-	-	68.50	117.25
	-	-	-	-	-	-	-	-
iii) CEO & COMPANY SECRETARY								
- Short Term Employee benefits	-	-	294.73	284.54	-	-	294.73	284.54
- Post Employment benefits	-	-	18.51	12.97	-	-	18.51	12.97
2. Sales								
- Sale of Goods	-	-	-	-	309.31	250.68	309.31	250.68
- Sale of Export Benefit Licence	-	-	-	-	74.97	280.94	74.97	280.94
3. Other Income								
- Sale of Property, Plant & Equipment	-	-	-	-	1.11	5.06	1.11	5.06
- Rent, Maintenance & Other Charges Received	-	-	-	-	475.60	582.47	475.60	582.47
- Royalty Received	-	-	-	-	159.13	191.77	159.13	191.77
- Dividend Received	-	-	-	-	95.35	95.35	95.35	95.35
4. Loan Received	-	-	671.65	3,158.00	-	-	671.65	3,158.00
5. Purchase								
- Purchase of Property, Plant & Equipment	-	-	-	-	1.13	-	1.13	-
- Purchase of Gift and Promotional Items	0.02	0.07	-	-	21.07	15.78	21.09	15.85
- Purchase of Raw Materials	-	-	-	-	26.17	2,893.57	26.17	2,893.57
6. Other Expenses								
- Rent, Maintenance & Other Charges Paid	-	-	25.11	12.80	88.90	50.64	114.01	63.44
- Donation Paid	-	-	-	-	409.75	352.22	409.75	352.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.55 RELATED PARTY TRANSACTIONS (CONTD...)

₹ in Lacs

Particulars	Associate		Directors, Key Management Personnel & Relatives		Entities / Trust where Key Management Personnel and their relatives have significant influence		Total	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
- Interest Paid	-	-	5.25	-	-	-	5.25	-
- Loss on Fair value of Loan at FVTPL	54.75	-	-	-	-	-	54.75	-
- Loss on Impairment of Investment	56.50	-	-	-	-	-	56.50	-
- Others	-	-	-	4.66	81.77	135.34	81.77	140.00
7. Dividend Paid	-	-	2,071.00	1,241.29	16,675.87	9,808.58	18,746.87	11,049.87
8. Loan Given	550.00	-	-	-	-	-	550.00	-
9. Investment including Commitments	200.00	-	-	-	-	-	200.00	-
10. Security Deposit Received	-	-	-	-	5.00	5.28	5.00	5.28
11. Security Deposit Given	-	-	-	-	-	10.50	-	10.50
12. Refund against Security Deposit Paid	-	-	0.20	0.20	-	-	0.20	0.20
13. Refund against Security Deposit Received	-	-	-	-	-	15.73	-	15.73
14. Refund against Loan Received	-	-	350.80	3,130.33	-	-	350.80	3,130.33
15. Reimbursement of Expenses	0.99	-	-	-	144.66	12.50	145.65	12.50
16. Contribution to Provident Fund	-	-	-	-	678.01	609.50	678.01	609.50

C. The details of amount due to or due from related parties as at March 31, 2020 and March 31, 2019 as follows :

₹ in Lacs

Particulars	Related Party	As at	
		31.03.2020	31.03.2019
Investment	Associate (Net of Share of Loss)	2,124.18	1,603.29
	Entities where Key Management Personnel and their relatives have significant influence	3,933.27	13,667.12
		6,057.45	15,270.41
Trade Receivable	Entities where Key Management Personnel and their relatives have significant influence	26.80	8.84
Loan Receivable	Associate (net of fair value loss of ₹ 54.75 lacs) (31.03.2019 : ₹ Nil)	495.25	-
Other Receivable	Entities where Key Management Personnel and their relatives have significant influence	317.16	57.50
Trade Payable	Entities where Key Management Personnel and their relatives have significant influence	2.54	99.11
Loan Payable	Key Management Personnel & Relatives	377.30	27.67
Other Payable	Key Management Personnel & Relatives	1.18	-
	Entities where Key Management Personnel and their relatives have significant influence	34.11	6.69
	Associate	-	550.00
		34.11	556.69

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.55 RELATED PARTY TRANSACTIONS (CONTD...)

Particulars	Related Party	₹ in Lacs	
		As at 31.03.2020	As at 31.03.2019
Security Deposit Paid	Key Management Personnel & Relatives	14.05	14.25
	Entities where Key Management Personnel and their relatives have significant influence	17.50	17.50
		31.55	31.75
Security Deposit Received	Entities where Key Management Personnel and their relatives have significant influence	12.78	11.26
Remuneration, Siting Fees & Commission Payable	Key Management Personnel & Relatives	568.50	617.25
Advance from Customer	Entities where Key Management Personnel and their relatives have significant influence	0.39	5.56

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Loan given to associate are made on terms equivalent to those that prevail in arm's length transactions and carries interest and are convertible to equity at the option of issuer / borrower or repayable on happening of certain event.

3.56 DURING THE YEAR, THE GOUP HAS GIVEN LOANS TO A BODY CORPORATE AT 14% P.A INTEREST, OF WHICH ₹ 6,000 LACS WAS OUTSTANDING AS AT 31ST MARCH, 2020. THE AMOUNT WAS RECEIVED ALONG WITH INTEREST SUBSEQUENT TO THE BALANCE SHEET DATE.

3.57 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Group may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

i) Estimation of defined benefit obligations

The liabilities of the Group arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions Refer Note No. 3.39 for significant assumption used.

ii) Estimation of tax expenses, assets and payable

Deferred tax assets are recognised for unused tax credit and on unused losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the group operates. Any difference between the estimates and final tax assessments will impact the income tax as well the resulting assets and liabilities. Refer Note No. 3.8, 3.23, 3.30 and 3.48

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.57 CRITICAL ESTIMATES AND JUDGEMENTS (CONTD...)

iii) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the group. The Group exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision. Refer Note No. 3.22, 3.29 & 3.44.

iv) Estimation of expected useful lives and residual values of Property, Plants and Equipment

Property, Plant and Equipment are depreciated at historical cost using straight-line method based on the estimated useful life, taken into account at residual value. The asset's residual value and useful life are based on the Group's best estimates and reviewed, and adjusted if required, at each Balance Sheet date. Refer Note No. 3.1, 3.2, 3.3 & 3.4.

v) Impairment of intangible assets

The Group has significant intangible assets arising from the acquisition of brand, trademark, know-how etc. in the normal course of its business. There are indicators that the carrying value of the intangibles may not be recovered through its continuing use and hence, the management has performed impairment testing in accordance with Ind AS 36. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget over the remaining useful life (including terminal value) and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. Recoverability of these assets is based on forecast of projected cash flows over the remaining useful life of underlying intangible assets and their discounted present value (after considering terminal value), which are inherently highly judgmental and is subject to achieving forecasted results. Based on the impairment testing done, the Group believes that no impairment charge is required in this regard.

vi) Impairment of non financial assets / investment in associates

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The carrying amounts of the Group's non-financial assets /investment in associates are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates.

vii) Fair Value Measurements

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques which involve various judgements and assumptions that may differ from actual developments in the future. For further details Refer Note No. 3.47

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.58 ADDITIONAL INFORMATION

a) Information as at and for the year ended 31st March 2020

Name of the entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
₹ in Lacs								
Parent :								
Emami Limited	98.85%	1,80,199.93	95.64%	28,911.97	96.28%	(9,725.52)	95.32%	19,186.45
Subsidiaries :								
Emami Indo Lanka (Pvt) Limited	-0.06%	(104.50)	-0.06%	(18.73)	-	-	-0.09%	(18.73)
Emami Bangladesh Limited	1.87%	3,415.98	8.71%	2,633.83	0.01	(54.75)	12.81%	2,579.08
Emami International FZE	-2.83%	(5,160.67)	-14.06%	(4,249.86)	-0.13%	12.94	-21.05%	(4,236.92)
Emami Overseas FZE	-0.23%	(420.10)	-0.03%	(8.61)	-	-	-0.04%	(8.61)
PharmaDerm Company SAE	-0.65%	(1,178.33)	0.09%	27.10	-	-	0.13%	27.10
Fravin Pty.Ltd.	0.00%	0.14	-2.01%	(607.55)	-	-	-3.02%	(607.55)
Greenlab Organics Ltd.	0.00%	-	-	-	-	-	-	-
Diamond Bio-tech Laboratories Pty. Ltd.	0.00%	0.00	0.24%	71.14	-	-	0.35%	71.14
Abache Pty Ltd.	0.00%	0.00	0.20%	59.18	-	-	0.29%	59.18
Emami Rus LLC	0.01%	19.43	0.07%	22.36	-	-	0.11%	22.36
Creme 21 GmbH	-0.01%	(18.12)	-0.12%	(37.57)	-	-	-0.19%	(37.57)
Intra-group eliminations	3.04%	5,535.01	13.33%	4,029.10	3.30%	(333.55)	18.36%	3,695.55
Associate:								
Helios Lifestyle Private Limited			-1.62%	(489.00)		-	-2.43%	(489.00)
Brillare Science Private Limited			-0.37%	(113.00)		-	-0.56%	(113.00)
Total	100.00%	1,82,288.77	100.00%	30,230.36	100.00%	(10,100.88)	100.00%	20,129.48

b) Information as at and for the year ended 31st March 2019

Name of the entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
₹ in Lacs								
Parent :								
Emami Limited	99.45%	2,06,440.43	100.90%	30,524.16	80.02%	(1,209.17)	101.99%	29,314.99
Subsidiaries :								
Emami Indo Lanka (Pvt) Limited	-0.04%	(85.11)	-0.19%	(58.97)	-	-	-0.21%	(58.97)
Emami Bangladesh Limited	2.19%	4,553.27	6.68%	2,020.62	0.01	(8.98)	7.00%	2,011.64

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.58 ADDITIONAL INFORMATION (CONTD...)

Name of the entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Emami International FZE	-0.29%	(594.47)	-2.22%	(672.73)	3.51%	(52.97)	-2.52%	(725.70)
Emami Overseas FZE	-0.18%	(377.22)	-0.02%	(7.47)	-	-	-0.03%	(7.47)
PharmaDerm Company SAE	-0.49%	(1,007.58)	-1.09%	(330.98)	-	-	-1.15%	(330.98)
Fravin Pty.Ltd.	0.27%	569.00	-0.81%	(246.29)	-	-	-0.86%	(246.29)
Greenlab Organics Ltd.	0.00%	-	-	-	-	-	-	-
Diamond Bio-tech Laboratories Pty. Ltd.	-0.04%	(73.21)	-0.01%	(4.41)	-	-	-0.02%	(4.41)
Abache Pty Ltd.	-0.03%	(60.64)	-0.03%	(8.02)	-	-	-0.03%	(8.02)
Emami Rus LLC	0.00%	4.14	-0.04%	(11.71)	-	-	-0.04%	(11.71)
Fentus 113. Gmbh	0.01%	19.43	0.00%	-	-	-	0.00%	-
Intra-group eliminations	-0.87%	(1,801.80)	-2.42%	(731.63)	15.88%	(239.97)	-3.38%	(971.60)
Associate:								
Helios Lifestyle Private Limited			-0.73%	(219.50)		-	-0.76%	(219.50)
Total	100.00%	2,07,586.24	100.00%	30,253.07	100.00%	(1,511.09)	100.00%	28,741.98

- 3.59 a) Pursuant to Early Exit Scheme for Kolkata Manufacturing Unit, the Company has paid compensation amounting to ₹ 325.68 lacs to its temporary workers for the year ended 31st March, 2020.
- b) "Fravin Pty Ltd", a step-down subsidiary of the Company has closed its operations and has accounted for unrecoverable assets of ₹ 742.70 lacs in the quarter & year ended 31st March, 2020.

3.60 The Board of Directors of the Parent Company, at its meeting held on March 19, 2020, approved Buyback of the Company's fully paid-up equity shares of face value of ₹ 1 each from the eligible equity shareholders of the Group other than promoters, promoter group and persons who are in control of the group, at a price not exceeding ₹ 300 per equity share (Maximum Buyback price), for an aggregate amount not exceeding ₹ 19,199.43 lacs (Maximum Buyback size), payable in cash from the open market route through the stock exchange mechanism under the Companies Act, 2013 and Buyback Regulations. The Buyback shall not exceed ₹ 19,199.43 lacs (Maximum Buyback size) excluding the transaction charges. The Maximum Buyback Size represents 9.99% of aggregate of the Group's paid up equity capital and free reserves based on the audited financial statements of the Company as at March 31, 2019, which is in compliance with the maximum permissible limit of 10% of the total paid up equity share capital and free reserves in accordance with Section 68(2) of Companies Act, 2013.

As of March 31, 2020, the scheme of Buyback was open and the Group bought back 7,54,470 equity shares as resulting in total cash consideration of ₹ 1,647.53 Lacs (including ₹ 114.17 lacs towards transaction costs of Buyback and ₹ 289.13 lacs towards Buyback distribution tax). These equity shares were extinguished in the month of April 2020 as per the records of the depositories. In line with the requirement of Companies Act, 2013, an amount of ₹ 1,639.99 lacs have been utilised from the securities premium for the Buyback. Further, capital redemption reserve of ₹ 7.54 lacs, representing the nominal value of shares bought back, has been created in accordance with Section 69 of the Companies Act, 2013. The Buyback commenced on March 27, 2020 and is still in progress. The Group bought back an aggregate of 7,54,470 equity shares, utilizing a total of ₹ 1,244.23 lacs (excluding transaction costs of Buyback), which represents 6.48% of the maximum Buyback size.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.61 During the year, one of the step-down subsidiary of the Company "Greenlab Organics Limited" have been dissolved with effect from 07-01-2020.

3.62 The operations of the Group were impacted in the month of March 2020 due to temporary shutdown of all plants following nationwide lockdown announced by the Government of India/Government of respective countries because of COVID-19 outbreak. The management is monitoring the situation closely and has started its plants/operations in a phased manner from the mid of April. The management has made an initial assessment, based on the current situation, of the likely impact of the lockdown on overall economic environment and FMCG industry, in particular, based on which it expects the demand to stabilise in due course, as driven by measures expected to be taken by the Government; and further, does not anticipate any challenge in meeting its financial obligations. The Group has additionally assessed its property, plant and equipment and intangible assets for impairment as on March 31, 2020. Based on projections, future outlook and carrying value of property, plant and equipment and intangible assets, there is no impairment charge that needs to be recognised. However, the above evaluations are based on analysis carried out by the management and internal and external information available upto the date of approval of these financial statement, which are subject to uncertainties that COVID-19 outbreak might pose on economic recovery. In the prevailing circumstances, the Group does not expect any impact of COVID 19 on its ability to continue as a going concern.

3.63 INFORMATION FOR EARNINGS PER SHARE AS PER IND AS 33

Particulars	As at 31st March 2020	As at 1st April 2019
Net Profit attributable to equityholders of the Parent (₹ in Lacs)	30,291.42	30,323.02
Cash Profit (₹ in Lacs)	63,924.13	62,854.40
Weighted average number of shares (in Lacs) (Refer Note no. 3.60)	4,539.32	4,539.35
Earnings Per Share - Basic & Diluted (₹)	6.67	6.68
Earnings Per Share - Cash (₹)	14.08	13.85

3.64 REVENUE FROM CONTRACTS WITH CUSTOMERS:

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	2019-2020	2018-2019
India	2,21,287.93	2,30,593.31
Outside India	40,036.42	35,298.40
Total revenue from contracts with customers	2,61,324.35	2,65,891.71

Timing of revenue recognition	2019-2020	2018-2019
Goods transferred at a point in time	2,61,324.35	2,65,891.71

Particulars	As at 31st March 2020	As at 1st April 2019
Trade receivables	30,800.83	21,635.45
Contract liabilities		
Advance from customers	540.49	1,021.88

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract liabilities includes advance from customers received for supply of goods.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2020

3.64 REVENUE FROM CONTRACTS WITH CUSTOMERS: (CONTD...)

Set out below is the amount of revenue recognised from:

Particulars	₹ in Lacs	
	2019-2020	2018-2019
Amounts included in contract liabilities at the beginning of the year	1021.88	699.20
Amount received during the year	540.49	1021.88
Amount adjusted during the year	1021.88	699.20
Amounts included in contract liabilities at the end of the year	540.49	1021.88

Performance obligation

Sale of products

The performance obligation is satisfied upon delivery/dispatch of the goods. Sales are made generally after receipt of advance except for certain customers where payment is due within 30 to 90 days from day of sales.

3.65 The Group has made a provision of ₹ 3,794.18 Lacs (31.03.2019 - ₹ 4,056.22 Lacs) towards rebates and damage return:

Particulars	₹ in Lacs	
	As at 31st March 2020	As at 1st April 2019
Opening Balance	4,056.22	-
Provisions made during the year	3,794.18	4,056.22
Payment/reversals during the year	4,056.22	-
Closing Balance	3,794.18	4,056.22

The accompanying notes are an integral part of these consolidated Ind AS financial statements.

As per our report of even date

For S. R. BATLIBOI & Co. LLP

Chartered Accountants

Firm Registration no: 301003E/E300005

per Sanjay Kumar Agrawal

Partner

Membership no: 060352

Kolkata

26th June, 2020

For and on behalf of the Board of Directors

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

S K Goenka
Managing Director

N H Bhansali
CEO -Finance,
Strategy and Business
Development & CFO

A K Joshi
Company Secretary
& VP-Legal

FORM NO. AOC 1

STATEMENT REGARDING SUBSIDIARY AND ASSOCIATE COMPANY

Pursuant first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accountants) Rules, 2014

Sl. No.	1	2	3	4	5	6	7	8	9	10	11	12
Name of the Subsidiary/Associate Company	Emami Bangladesh Limited	Emami Lanka (Pvt) Ltd	Emami International FZE	Emami Overseas FZE	Pharmaderm Company S.A.E	Emami Rus (LLC)	Creme 21 GMBH	Fravin Pty Ltd	Diamond Bio-Tech Laboratories Pty Ltd	Abache Pty Ltd	Helios Lifestyle Private Limited	Brillare Science Private Limited
Name of the Holding Company	Emami Limited	Emami Limited	Emami Limited	Emami International FZE	Emami Overseas FZE	Emami International FZE	Emami International FZE	Emami International FZE	Fravin Pty Ltd	Diamond Bio-Tech Laboratories Pty Ltd	Diamond Bio-Tech Laboratories Pty Ltd	-
% of shareholding of Holding company	100%	100%	100%	100%	90.60%	99.99%	100.00%	85.00%	100%	100%	100%	33.09%
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Reporting currency and rate as on the last date of the relevant financial year in the case of foreign subsidiaries	BDT	INR 0.3973 per LKR	INR 20.5579 per AED	INR 4.7963 per AED	EGP	RUBLE	EURO	INR 46.2794 per AUD	INR 46.2794 per AUD	INR 46.2794 per AUD	INR	INR
Share capital	2782	478	1898	3.08	16846	16.72	2001	1,875.64	0.00	50.16	21.27	65.70
Reserves & Surplus	3,388.16	(109.27)	(5,179.65)	(423.17)	(1,346.79)	2.71	(38.40)	(1,875.50)	(0.00)	(50.16)	(514.92)	(618.64)
Total assets	15,514.62	694.81	17,456.10	1,423.42	256.29	2,626.99	692.89	1.00	-	0.12	2,353.13	369.15
Total Liabilities	12,098.64	799.30	22,616.78	1,843.52	1,434.62	2,607.56	711.28	0.86	-	0.12	3,028.78	922.09
Investments	-	-	448.26	-	-	-	-	-	-	-	-	876
Turnover	14,105.40	1,058.29	17,517.44	-	-	-	1,073.35	6.00	-	-	3,934.40	449.08
Profit before taxation	4,164.10	8.98	(4,249.86)	(8.61)	27.10	23.77	(37.57)	(285.96)	119.07	101.76	(1,510.02)	(361.80)
Provision for taxation	1,530.28	2772	-	-	-	1.41	-	321.59	47.93	42.58	36.92	6.46
Profit after taxation	2,633.83	(18.73)	(4,249.86)	(8.61)	27.10	22.36	(37.57)	(607.55)	71.14	59.18	(1,473.09)	(355.34)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

S K Goenka
Managing Director

N H Bhansali
CEO -Finance,
Strategy and Business Development & CFO

A K Joshi
Company Secretary & VP-Legal

Kolkata
26th June, 2020

Emami in news

'We are open to bigger buys, but that depends on quality'

As a founder and a veteran entrepreneur, Mohan Goenka has a lot to say about the current state of the Indian market and the challenges it poses for businesses.

Q: How do you see the current state of the Indian market?

A: The Indian market is a mix of opportunities and challenges. On the one hand, there is a lot of growth potential, especially in the services sector. On the other hand, there are a lot of challenges, such as inflation and a weak rupee.



Q: How do you see the challenges of the Indian market?

A: The challenges of the Indian market are many. One of the biggest is inflation, which is putting pressure on consumers. Another is the weak rupee, which is making it difficult for businesses to import raw materials.

Q: How do you see the opportunities of the Indian market?

A: The opportunities of the Indian market are also many. One of the biggest is the services sector, which is growing rapidly. Another is the e-commerce sector, which is also growing rapidly.

Q: How do you see the challenges of the Indian market?

A: The challenges of the Indian market are many. One of the biggest is inflation, which is putting pressure on consumers. Another is the weak rupee, which is making it difficult for businesses to import raw materials.

Q: How do you see the opportunities of the Indian market?

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Navratna plots its debut into the ₹1,000-crore club

With Varun Dhawan as ambassador, a slew of celebrities and a hefty push into non-metro, Emami eyes the big league for its brand

Q: How do you see the current state of the Indian market?

A: The Indian market is a mix of opportunities and challenges. On the one hand, there is a lot of growth potential, especially in the services sector. On the other hand, there are a lot of challenges, such as inflation and a weak rupee.



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Emami hires BCG for strategy advice

such as Nandana or Kamini are more directly retail and will be focusing on modern trade channels by making improvements in field force, training, incentivising, packaging, revamp and product availability across major consumer platforms.

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Outlook Business

STRATEGY FEATURE



“We found a latent desire among men to look good, but there were no offerings designed specifically for men”

—MOHAN GOENKA
Director, Emami

Emami Q2 net jumps 16%

Kolkata: FMCG giant Emami has witnessed a 16% growth in net profit to Rs 96 crore in the second quarter of this fiscal from Rs 82.6 crore in the same period last fiscal. During the quarter, gross margins at 48.7% grew by 100 bps and PBT at Rs 118 crore grew by 11% with PBT margins at 17.8% increasing by 90 bps. Emami has said that the quarter posted soft growth due to challenging liquidity and consumption environment in the

'We are Emamiwalas, not Goenka or Agarwal'

Disagreements between co-founders often leave a business floundering, and there are many examples of friends-turned-founders having differences. The two promoters of FMCG giant Emami discuss their 60-year friendship and their business partnership

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Q: How do you see the opportunities of the Indian market?

A: The opportunities of the Indian market are also many. One of the biggest is the services sector, which is growing rapidly. Another is the e-commerce sector, which is also growing rapidly.

With tailored offerings, ramped up online presence, Emami's hair oil brand acquisition to pay off

Eyes expansion in southern States, Emami will focus on regional players



Q: How do you see the challenges of the Indian market?

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Standard Post

Tiger Shroff adds 3-Ka-Punch To Emami's HE Magic Duo



Q: How do you see the challenges of the Indian market?

A: The challenges of the Indian market are many. One of the biggest is inflation, which is putting pressure on consumers. Another is the weak rupee, which is making it difficult for businesses to import raw materials.

The Telegraph

Emami sets buyback price

OUR SPECIAL CORRESPONDENT

Calcutta: The board of Emami Ltd has announced a buyback of shares at a price up to Rs 500 and declared an interim dividend of Rs 10 per share. It would spend up to Rs 180 crore, which represents 0.9% per cent of the free float of the company. The buyback is the first since the company's IPO in 2010. The buyback is the first since the company's IPO in 2010. The buyback is the first since the company's IPO in 2010.

The Times of India - Calcutta Times

Flaunt healthy and well-managed hair like Katrina Kaif

EVERY GIRL WANTS HEALTHY, LUSTROUS HAIR, BUT IT BECOMES VERY DIFFICULT TO ACHIEVE THE FEAT GIVEN THE AMOUNT OF DAMAGE OUR HAIR IS EXPOSED TO. I HAVE FOUND THE PERFECT ALL-IN-ONE SOLUTION FOR SUCH PROBLEMS.

— Katrina Kaif

Shilpa Shetty बर्नी केश किंग शैम्पू की ब्रांड एम्बेसेडर

अपना ही जैसी शैली बनाने में शिल्पा की टोन्स हैं। अब

Emami board okays share buyback

Share price at ₹300 after record Q2 profit

The board of Emami Ltd has approved a buyback of shares at a price up to Rs 500 and declared an interim dividend of Rs 10 per share. It would spend up to Rs 180 crore, which represents 0.9% per cent of the free float of the company. The buyback is the first since the company's IPO in 2010.

'Power brands' drive Emami's Q3 net

PMCG firm posts 7% net profit to ₹148 cr or more as revenue dips 1% to ₹745 crore

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emami* limited

Corporate Identification Number: L63993WB1983PLC036030

Registered Office: Emami Tower, 687, Anandapur,

E.M. Bypass, Kolkata-700107, West Bengal, India.

Phone No. +91 33 66136264, tele fax: 91 33 6613 6600

website: www.emamilttd.in, e-mail: investors@emamigroup.com

Notice

NOTICE is hereby given that the 37th Annual General Meeting of the Members of Emami Limited will be held on Friday, 18th September, 2020 at 11:30 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2020 together with the Reports of the Board of Directors and Auditors thereon and the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2020.
2. To confirm the payment of two Interim Dividends aggregating to ₹ 4 per equity share for the financial year 2019-20.
3. To appoint a Director in place of Shri Mohan Goenka (DIN 00150034) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Prashant Goenka (DIN 00703389) who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Smt. Priti A Sureka (DIN 00319256) who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof) read with Schedule V thereof, the articles of association of the Company, the recommendation of Nomination & Remuneration Committee, the consent of Members of the Company be and is hereby accorded to the re-appointment of Smt. Priti A Sureka (DIN 00319256) as a Whole-time Director of the Company for the period of five

years with effect from January 30, 2020 on the terms and conditions as set out in the Explanatory Statement annexed to this Notice convening this meeting and as enumerated in the Agreement dated December 02, 2019, which has been submitted to this meeting and is also hereby specifically approved.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable in this regard."

7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force), consent of the Company be and is hereby accorded for payment of remuneration of ₹1,50,000/- (Rupees One lac fifty thousand only) plus applicable taxes and out of pocket expenses for conducting audit of the cost accounting records of the Company for the financial year 2020-21 as may be applicable to the Company to M/s. V.K. Jain & Co., Cost Accountants(Firm Registration No 00049) who were re-appointed as Cost Auditors of the Company by the Board of Directors of the Company at its meeting held on 26th June 2020".

Registered Office:

Emami Tower,
687, Anandapur
E.M. Bypass
Kolkata 700107

Date: 26th June 2020

By Order of the Board

A.K. Joshi

Company Secretary & VP-Legal

Notes:

1. In view of the outbreak of the Covid-19 pandemic and restriction imposed on movement of peoples at several places in the country, the Ministry of Corporate Affairs ("MCA") vide its Circular No.20/2020 dated May 5, 2020 read with Circular No.14/2020 dated April 8, 2020 and Circular No.17/2020 dated April 13, 2020 (collectively referred to as "MCA Circulars") and other applicable circulars issued by the Securities and Exchange Board of India (SEBI) have permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip including Route map are not annexed to this Notice.
3. The Company will conduct the AGM through VC/ OAVM from its Registered Office, i.e, Emami Tower, 687, Anandapur, E.M. Bypass, Kolkata 700107, which shall be deemed to be venue of the meeting.
4. Institutional/ Corporate members (i.e. other than individual / HUF, NRI, etc.) intending to send their authorized representatives to attend and vote at the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send, scanned certified true copy (PDF/ JPEG Format) of the Board or Governing body Resolution/ Authorization etc. authorizing their representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format on the CDSL e-voting platform for the scrutinizer to verify the same. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at scrutinizermkb@gmail.com and to the Company at investor@emamigroup.com or to M/s Maheshwari Datamatics Pvt. Ltd., Registrar & Share Transfer Agent of the company at mdpldc@yahoo.com with a copy marked to helpdesk.evoting@cdslindia.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
5. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote electronically during the AGM.
6. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Book of the Company shall remain closed from Saturday, 12th September, 2020 to Friday, 18th September, 2020 (both days inclusive) for the purpose of this Annual General Meeting.
7. The related Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the business under item no. 6 and 7 as set out above is annexed hereto.
8. M/s. S. R.Batliboi & Co. LLP, Chartered Accountants, (Firm registration No 301003E/E300005), have been appointed as the Statutory Auditors from the conclusion of 34th Annual General Meeting of the Company held on 2nd August 2017 for a period of five years upto the conclusion of 39th Annual General Meeting. As per Companies (Amendment) Act, 2017 (Section 139 of the Companies Act, 2013), notified on 7th May, 2018, the requirement of ratification of appointment of the Statutory Auditor at every Annual General Meeting has been done away with. As such, resolution for ratification of appointment of Auditor is no longer required to be passed at the Annual General Meeting.
9. **DISPATCH OF ANNUAL REPORT THROUGH EMAIL AND REGISTRATION OF EMAIL IDs**
 - In view of the prevailing situation and pursuant to the aforesaid MCA and SEBI Circulars, Notice

of the 37th AGM along with the Annual Report 2019-20 is being sent only through electronic mode to the members whose email addresses are registered with the Company or relevant Depositories. Members may also note that the Notice of the 37th AGM and the Annual Report for the Financial Year 2019-20 including therein the Audited Financial Statements will be available on the Company's website at www.emamilttd.in, websites of BSE and NSE at <https://www.bseindia.com> and <https://www.nseindia.com>, respectively and website of CDSL at <https://www.evotingindia.com> for their view/download.

- Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at investors@emamigroup.com along with the copy of the signed request letter mentioning the Folio No., name and address of the Member along with scanned copy of the share certificate (front/back), self-attested copy of the PAN card, and self-attested copy of any document (eg. : Driving License / Election Identity Card / Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants. For any further clarification, the shareholders may send requests to the Company's email id: investors@emamigroup.com

10. PROCEDURE & INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM THROUGH VC/OAVM ARE AS FOLLOWS:

A. VOTING THROUGH ELECTRONIC MEANS

- (a) Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and other relevant rules made thereunder, as amended, Regulation 44 of the (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars read with SEBI Circulars, the Company has provided e-voting facility to the members using Central Depository Securities (India) Limited (CDSL) platform. All the business to be transacted at

the Annual General Meeting can be transacted through electronic voting system.

- (b) The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	End of remote e-voting
From 9.00 A.M. (IST) on Monday, 14th September, 2020	Up to 5.00 P.M. (IST) on Thursday, 17th September, 2020

- (c) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the relevant depository as on the cut-off date, i.e. Friday, 11th September, 2020 only shall be entitled to avail the facility of remote e-voting at the Meeting. A person who is not a member as on the cut-off date should treat this notice for information purpose only.

- (d) The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled upon expiry of aforesaid period.

- (e) The details of the process and the way to vote electronically on CDSL e-voting system:

- (i) The shareholders should log on to the e-voting website <https://www.evotingindia.com>

- (ii) Click on Shareholders.

- (iii) Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting

option and proceed directly to cast your vote electronically.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Emami Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

(xviii) Note for Non-Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-Individual shareholders

are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at scrutinizermkb@gmail.com and to the Company at investor@emamigroup.com or to M/s Maheshwari Datamatics Pvt. Ltd., Registrar & Share Transfer Agent of the company at mdpldc@yahoo.com with a copy marked to helpdesk.evoting@cdslindia.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

B. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS FOLLOWS:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- Shareholders who have voted through

Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

C. PROCEDURE FOR ATTENDING THE AGM THROUGH VC / OAVM:

- Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice.
- Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM.
- If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.

evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

D. PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

- As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, members are encouraged to send their queries by 5.00 p.m. on Tuesday, 8th September, 2020 from their registered email ID mentioning their name, demat account number / folio number, mobile number at investors@emamigroup.com so as to enable the management to keep the information ready and replied accordingly.
- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending email from their registered email ID mentioning their name demat account number / folio number, mobile number to investors@emamigroup.com from Saturday, 12th September, 2020 to Tuesday, 15th September, 2020. Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM.
- The Company reserves the right to restrict the number of questions and number of

speakers, as appropriate for smooth conduct of the AGM.

E. PROCEDURE FOR INSPECTION OF DOCUMENTS

- All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection and shall be made available over email on making a request to the Company through your registered email ID on investors@emamigroup.com, quoting your name, demat account number / folio number, mobile number.
- Scanned copies of the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of The Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the meeting upon log-in to CDSL e-voting system at www.evotingindia.com

F. GENERAL INFORMATION FOR SHAREHOLDERS

- Members are informed that the dividend amount for the financial year ended 2012-13 remaining unclaimed shall become due for transfer on September 12, 2020 to the Investor Education and Protection Fund [IEPF] established by the Central Government in terms of the Companies Act, 2013.
- Any member, who has not claimed dividend in respect of the financial year ended 2012-13 onwards, is requested to approach the Company/the Registrar and Share Transfer Agents of the Company in this respect.
- The Company has been sending reminders to those members who have the unpaid/unclaimed dividends before transfer of such dividend(s) to Investor Education and Protection Fund (IEPF). Details of the unpaid/unclaimed dividend are also uploaded as per the requirements, on the Company's website

www.emamiltd.in

- Members, who have not encashed their dividend, are advised to write to the Company immediately claiming dividends declared by the Company.
- The Company has already transferred all shares (in respect of which dividend has not been claimed for seven consecutive years or more) to designated DEMAT Account of the IEPF maintained with CDSL.
- Members who have so far not claimed or collected their dividends for the said period may claim their dividend and shares from the Investor Education and Protection Fund, by submitting an application in the prescribed form.
- SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to the Depository participant with whom they are maintaining the DEMAT account. Members holding shares in physical form can submit their copy of PAN to the Company.
- Disclosure pursuant to Section 196 (4) of The Companies Act, 2013, Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard-2 of ICSI, with respect to Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting is annexed.
- Pursuant to section 72 of The Companies Act, 2013, members holding shares in physical form are advised to file nomination in prescribed form SH-13 with the Registrar and Share Transfer Agents (RTA). In respect of shares held in Electronic/Demat form, members may please contact their respective Depository Participants.
- SEBI and Ministry of Corporate Affairs encourages paperless communication as a contribution to Green environment.

Members holding shares in physical mode are requested to register their e-mail id to the RTA for receiving all communications including annual reports, notices, circulars etc. from the company electronically. Members who wish to register their e-mail id can download the green initiative form from the company's website www.emamilttd.in

- The Company has appointed Mr. Manoj Kumar Banthia, Practicing Company Secretary (Membership no-A11470/CP-7596) of M/s. MKB & Associates, Company Secretaries, Kolkata to act as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
- The Scrutinizer shall after the conclusion of Annual General Meeting, first count the votes cast at the AGM and then unblock the votes cast through remote e-voting. The scrutinizer shall submit the consolidated scrutinizer's report, not later than 48 (forty eight) hours of conclusion of the Meeting, to the Managing Director or any other person authorized by the Board.
- The results declared along with the consolidated Scrutinizer's Report shall be

placed on the Company's website www.emamilttd.in and on the notice board of the Company at its registered office and on the website of CDSL www.evotingindia.com immediately after the results are declared and simultaneously communicated to the Stock Exchanges where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the Annual General Meeting i.e. 18th September, 2020.

- Pursuant to the provisions of Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities can be transferred only in dematerialised form w.e.f. 1st April 2019. Members are requested to convert their physical holdings into demat form to avoid any possibility of loss, mutilation etc., of physical share certificates.

Registered Office:

Emami Tower,
687, Anandapur
E.M. Bypass
Kolkata 700107

Date: 26th June 2020

By Order of the Board

A.K. Joshi
Company Secretary & VP-Legal

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of resolutions at item no. 6&7

Item No. 6

The Board of Directors at its meeting held on 6th November, 2019 re-appointed Smt. Priti A Sureka (DIN 00319256) as a Whole-time Director of the Company with effect from 30th January, 2020 for the period of five years on the basis of recommendation of Nomination and Remuneration Committee and subject to approval of shareholders in ensuing Annual General Meeting.

Smt Priti A Sureka is a MBA from Harvard Business School, USA and has established her place among the top woman corporate leaders of the country. A key member of the Emami strategic think tank and one of the key drivers of the crucial Marketing Division, she also heads the company's R & D and Market Research Divisions. She spearheads Marketing of Boroplus range and other skin care /hair care brands.

She has made significant contribution in Research & Development activities and under her guidance the Company has launched various new products and achieved significant cost and efficacy optimization.

Smt Priti A Sureka is a self-motivated, dynamic and innovative individual with cross-functional expertise in the FMCG business and a commitment of the highest level.

The Nomination and Remuneration Committee has approved terms of her re-appointment and remuneration in its meeting held on 6th November, 2019. For the purpose, an agreement has been entered into by the Company with the Whole-time Director on 2nd December 2019. The main terms of her re-appointment as a Whole-time Director, as contained in the said agreement are furnished below:

- a. Term of re-appointment: - Five years with effect from January 30, 2020
- b. Salary: ₹9.00 lac (Rupees Nine lac only) per month, (in the range of ₹9.00 lac to ₹14.00 lac as approved by the Board of Directors).
- c. Perquisites:
 1. Leave travel allowance for self and family once in a year as per rules of the Company.
 2. Medical expenses actually incurred by her and her family subject to maximum of one month salary.
 3. Club Fees.
 4. Provision for use of car with driver for official business- personal use of the car will be billed to her.
 5. Provision for telephone at residence (including payment of local calls and long distance calls, mobile phone, internet and any other communication facilities.)
 6. Medical & personal accident insurance.
- d. The Company will make suitable contribution towards Provident Fund, Superannuation Fund etc. as per Rules of the Company.
- e. Gratuity will be payable as per Rules of the Company.

- f. Leave as per Rules of the Company including encashment of unavailed leave at the end of the tenure.

The Board recommends the resolution for your approval.

Except Smt. Priti A Sureka (the appointee), Shri R.S. Agarwal, Shri H.V. Agarwal and Shri A.V. Agarwal (her relatives), none of other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in said Resolution.

Copy of the agreement dated December 2, 2020 referred above shall be open for inspection by the Members in electronic mode. Members can inspect the same by sending an email to investors@emamigroup.com on or before 10th September, 2020

Item No 7

Upon the recommendation of the Audit Committee, the Board of Directors in its meeting held on 26th June, 2020, has re-appointed M/s. V.K. Jain & Co., Cost Accountants at a remuneration of ₹ 1,50,000/- (Rupees One lac fifty thousand only) plus applicable taxes and out of pocket expenses for conducting audit of the cost records of the Company as applicable to the Company for the financial year 2020-21. As per the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder, the remuneration to be paid to the cost auditors is subject to ratification by the members of the Company.

The Board therefore, recommends the resolution as an ordinary resolution for your approval.

None of the Directors or key managerial personnel of the Company or their relatives, are concerned or interested, financially or otherwise in this Resolution.

Registered Office:

Emami Tower,
687, Anandapur
E.M. Bypass
Kolkata 700107

Date: 26th June 2020

By Order of the Board

A.K. Joshi
Company Secretary & VP-Legal

ANNEXURE TO THE NOTICE

Disclosure required under Section 196 (4) of the Companies Act, 2013, Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 of ICSI with respect to re-appointment of Directors.

Name	Shri Mohan Goenka	Smt. Priti A Sureka	Shri Prashant Goenka
Category	Whole-time Director	Whole-time Director	Whole-time Director
Director Identification Number	00150034	00319256	00703389
Date of Birth/Age	21-01-1973 / 47 years	23-05-1972/ 48 years	30-10-1973/ 46 years
Date of first Appointment on the Board	15-01-2005	30-01-2010	20-01-2014
Experience in Specific Functional Area	Extensive knowledge and experience / supervises brand development, marketing, Sales and Investors Relations	Extensive knowledge and experience / supervises marketing, brand development, Research & Development and Market Research.	Extensive knowledge and experience / supervises International businesses
Qualifications	MBA from Cardiff University, UK	MBA from Harvard Business School, USA	MBA (International Marketing), Diploma in Finance and Marketing from the University of Wales, College of Cardiff, UK
Terms and Conditions of Appointment / Re-appointment	Re-appointment on retiring by rotation	As mentioned in explanatory statement to item no. 6 of the Notice	Re-appointment on retiring by rotation
Details of remuneration sought to be paid	Not applicable	As mentioned in explanatory statement to item no. 6 of the Notice	Not applicable
Last drawn remuneration	Not applicable	₹121.36 lac for FY 2019-20	Not applicable
Relationship with other Directors and Key Managerial Personnel	Son of Shri R.S. Goenka	Daughter of Shri R. S. Agarwal Sister of Shri A. V. Agarwal and Shri H. V. Agarwal	None
Directorship in Companies	Emami Limited, Bhanu Vyapaar Private Limited, Raviraj Viniyog Private Limited, Sneha Gardens Private Limited	Emami Limited, Emami Group of Companies Private Limited, CRI Limited, Aviro Vyapaar Private Limited, Aviro Vanijya Private Limited, Aviro Writing Instruments Private Limited	Emami Limited, Prestige Vyapaar Limited, YPO (Calcutta), Emami Group of Companies Private Limited, Raviraj Viniyog Private Limited.
Chairman/Member in the Committees of the Boards of companies	Chairman: Share Transfer Committee- Emami Limited Member: 1. Stakeholders Relationship Committee-Emami Limited 2. Share Transfer Committee- Emami Limited 3. Risk Management Committee-Emami Limited 4. Corporate Social Responsibility Committee- Emami Limited. 5. Finance Committee- Emami Limited	Chairman: None Member: 1. Corporate Social Responsibility Committee- Emami Limited 2. Risk Management Committee- Emami Limited 3. Share Transfer Committee- Emami Limited 4. Finance Committee- Emami Limited	Chairman: None Member: 1. Corporate Social Responsibility Committee-Emami Limited 2. Stakeholders Relationship Committee- Emami Limited
No. of Shares held in the Company as on 31st March, 2020	61,900	1,16,09,702	1,90,000
Number of meetings of the Board attended out of Five (5) meetings held during the financial year	5	4	4